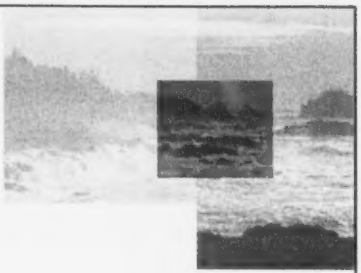
Indian and Northern Affairs Canada
Affaires indiennes et du Nord Canada

Indian and Northern Affairs Canada, Canadian Polar Commission and Indian Specific Claims Commission

PERFORMANCE REPORT

for the period ending March 31, 2007

Canada



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SECTION I – OVERVIEW

Minister's Message

Over the last year, our department has demonstrated what can be accomplished when we take concrete action to improve the lives of First Nations, Inuit, Métis and Northerners.

We have seen the real progress that can be made with a clear strategy, strong partnerships and an understanding that healthy, prosperous and self-reliant Aboriginal and Northern communities benefit all of Canada.

That is why we are working with provincial and territorial governments and our First Nations, Inuit, Métis and Northern partners to ensure we address issues facing Aboriginal and Northern communities in a way that is coherent, practical and measurable.

On one hand, we are working to create stable and accountable governments in First Nations communities, and are taking decisive action to settle outstanding land claims. At the same time, we are ensuring the conditions are in place to guarantee that First Nations people enjoy the same treatment and access to services as all Canadians.

We are working with the private sector to create initiatives to enable Aboriginal people — both on- and off-reserve — to take charge of their own economic development opportunities and to benefit from major resource development projects in or near their communities.

And we are finding ways to develop the tremendous potential of Canada's North — advancing devolution, supporting Northern science research, and harnessing the North's vast resources in a way that is environmentally sustainable, and economically and socially beneficial for Northerners.

Together, these efforts reflect our shared priorities with our partners and form the basis of our collaborative strategy. They converge to improve social conditions and encourage economic growth — creating a more promising future for First Nations, Inuit, Métis and Northerners, and in turn for all Canadians.

On behalf of Indian and Northern Affairs Canada (INAC), the Canadian Polar Commission and the Indian Specific Claims Commission, I am pleased to present the *2006–2007 Departmental Performance Report*.

The Honourable Chuck Strahl, P.C., M.P.
Minister of Indian Affairs and Northern Development
and Federal Interlocutor for Métis and Non-Status Indians

Management Representation Statement

I submit, for tabling in Parliament, the *2006–2007 Departmental Performance Report* for Indian and Northern Affairs Canada, the Canadian Polar Commission and the Indian Specific Claims Commission.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2006–2007 Estimates: Reports on Plans and Priorities and Departmental Performance Reports:*

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat guidance;
- It is based on the department's approved Strategic Outcomes and Program Activity Architecture that were approved by the Treasury Board;
- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved numbers from the Estimates and the Public Accounts of Canada.

Michael Wernick
Deputy Minister, Indian and Northern Affairs Canada

Program Activity Architecture (PAA)

The 2006–2007 *Departmental Performance Report* (DPR) describes performance in relation to priorities and commitments in the 2006–2007 *Report on Plans and Priorities* (RPP). The 2006–2007 RPP was based on the Program Activity Architecture (PAA), which shows how the department's program activities align to its strategic outcomes.

Indian and Northern Affairs Canada — Program Activity Architecture

Strategic Outcomes

The Government

Good governance, effective institutions and co-operative relationships for First Nations, Inuit and Northerners

The People

Strengthened individual and family well-being for First Nations, Inuit and Northerners

The Land

Sustainable use of lands and resources by First Nations, Inuit and Northerners

The Economy

Aboriginal People and Northerners close the economic gap

Program Activities

Governance and Institutions of Government

Sub-Activities
- Supporting Governments
- Institutions of Government
- Fiscal Relations

Co-operative Relationships

Sub-Activities
- Negotiations of Claims and Self-Government
- Treaty Commissions
- Exploratory Treaty Tables
- Inuit Relations Secretariat
- Policy Engagement

Northern Governance

Managing Individual Affairs

Sub-Activities
- Registration and Membership
- Management of Indian Monies
- Estate Management
- Treaty Annuities
- Professional and Institutional Development

Education

Sub-Activities
- Elementary and Secondary Education
- Special Education
- Post-Secondary Education
- Cultural Education Centres

Social Development

Sub-Activities
- Income Assistance
- First Nations Child and Family Services
- Assisted Living
- Family Violence Prevention
- National Child Benefit Re-investment
- Federal-Provincial Agreements

Healthy Northern Communities

Sub-Activities
- Hospital and Physician Services
- Food Mail
- Knowledge and Adaptation

Clarity of Title to Land and Resources

Sub-Activities
- Additions to Reserve
- Clarification of Reserve Title
- Comprehensive Claims Land Transfers

Responsible Federal Stewardship

Sub-Activities
- Land, Resources and Environment Management
- Oil and Gas Management
- Management of Band Monies
- Land Registration
- Contaminated Sites Remediation
- Legislative and Regulatory Maintenance and Development

First Nations Governance over Land, Resources and the Environment

Sub-Activities
- Legislative and Regulatory Maintenance and Development
- Implementation of Sectoral Governance Initiatives
- Professional and Institutional Development

Northern Land and Resources

Sub-Activities
- Contaminated Sites
- Management of Land and Resources

Economic and Employment Opportunities for Aboriginal People

Sub-Activities
- Economic Opportunities
- Employment Opportunities

Access to Capital and Economic Development

Sub-Activities
- Claims Settlements
- Community Economic Development

Community Infrastructure

Sub-Activities
- Infrastructure Facilities
- Education Facilities
- Housing
- Community Management of Infrastructure

Northern Economy

Strategic Outcome

Office of the Federal Interlocutor

Strengthened relationships with Métis, non-Status Indians and urban Aboriginal Canadians to raise awareness of their needs and improve access to federal services with the aim of improving their socio-economic conditions

Program Activity

Co-operative Relations

Departmental Management and Administration

An effective and responsibly managed and operated department positioned to achieve its strategic outcomes

- Regional and Program Operations
- Litigation Management — Management, Resolution and Prevention
- Litigation Management — Settlements

Summary Information

Raison d'être

Indian and Northern Affairs Canada

Indian and Northern Affairs Canada (INAC) holds primary, but not exclusive, responsibility for two separate yet complementary mandates: **Indian and Inuit Affairs** and **Northern Development**. The department is responsible for meeting the Government of Canada's obligations and commitments to First Nations, Inuit and Métis and for fulfilling the federal government's constitutional responsibilities in the North in collaboration with: several other federal departments; First Nations, Inuit and Métis leaders; provincial and territorial governments; circumpolar governments; and service delivery agents, as well as with the private sector and non-governmental organizations. These broad mandates are derived largely from the *Department of Indian Affairs and Northern Development Act*, the *Indian Act*, territorial acts and legal obligations arising from section 91(24) of the *Constitution Act, 1867*, as well as the more than 50 statutes for which the department has administrative responsibilities.

The department's mission, in fulfilling these complex mandates, is to support First Nations and Inuit — and in Canada's North, all Northerners, including First Nations, Inuit and Métis — in achieving their social and economic aspirations; in developing healthy, sustainable communities; and in more fully participating in and benefiting from Canada's political, social and economic development.

Under the **Indian and Inuit Affairs** mandate, the department:

- Negotiates comprehensive and specific land claims and self-government agreements on behalf of the federal government and oversees implementation of settlements that promote social and economic development.
- Using various funding mechanisms, the department funds First Nations governments and institutions, and Inuit organizations and communities to promote access to a range of services reasonably comparable with those accessible to other Canadians. Of the funding provided by the department, over 85 percent is used to provide programming on-reserve, which is directly administered by First Nations[1].
- Furthermore, INAC manages lands under the *Indian Act* in a manner that addresses the Crown's interest in protecting, conserving and managing lands, resources and the environment, consistent with both the principles of sustainable development and First Nations' aspirations to control their lands and resources. It supports First Nations governance and is responsible for individual affairs through the Indian Registrar.

Under the **Northern Development** mandate, the department:

- Is primarily responsible for fulfilling the federal government's constitutional responsibilities in the North, a region that comprises 40 percent of Canada's land mass.
- Is one of the main departments responsible for implementing Canada's circumpolar agenda.
- Ensures effective stewardship of lands and resources in the Northwest Territories and Nunavut (prior to the conclusion of devolution agreements), and for fostering political and economic development of all three territories.
- Has specific duties related to environmental protection and assessment, management of offshore oil and gas resources, and the co-ordination of scientific research in Yukon, the Northwest Territories and Nunavut.

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[1] In the North, territorial governments generally provide the majority of programs and services to all Northerners, including Aboriginal people.

In addition to duties related to the department, the INAC Minister is the Minister responsible for:

- the Office of the Federal Interlocutor for Métis and Non-Status Indians; and
- the Canadian Polar Commission.

Office of the Federal Interlocutor for Métis and Non-Status Indians

The Office of the Federal Interlocutor works with Métis, non-Status Indians and urban Aboriginal organizations, as well as provincial governments where appropriate, to help further the efforts of Métis, non-Status Indians and urban Aboriginal people to help them realize their full potential economically, socially and politically in Canadian society. The Office of the Federal Interlocutor for Métis and Non-Status Indians works closely with provinces, national Aboriginal organizations, federal departments and organizations toward achieving an overall coherence in the services available to off-reserve Aboriginal Canadians.

Canadian Polar Commission

As Canada's lead agency in the area of polar research, the Canadian Polar Commission is responsible for monitoring, promoting and disseminating knowledge of the polar regions. The Commission contributes to public awareness of the importance of polar science to Canada, enhances Canada's international profile as a circumpolar nation and recommends polar science policy direction to government.

Indian Specific Claims Commission

The mission of the Indian Specific Claims Commission (ISCC) is to assist First Nations and the Government of Canada to settle specific claims. The ISCC is a commission of inquiry established in 1991. Its mandate is: to inquire, at the request of a First Nation, into specific claims that have been rejected by the federal government or accepted claims where the First Nation disputes the compensation criteria being considered; and to provide mediation services on consent of the parties at any stage of the claims process.

Financial Resources (2006–2007)

($ millions)	Planned Spending	Total Authorities	Actual Spending
Indian and Northern Affairs Canada	6,453.4	6,594.7	6,131.1
Canadian Polar Commission	1.0	1.0	1.0
Indian Specific Claims Commission	5.6	6.8	6.5

The variance of approximately $322 million between actual spending and planned spending primarily reflects funding from Budget 2006 and for the negotiation, settlement and implementation of specific and comprehensive claims which was not expended in 2006–2007 and which was therefore reprofiled to 2007–2008.

Human Resources (2006–2007)

(FTEs)	Planned	Actual	Difference
Indian and Northern Affairs Canada	4,276.4	4,062.6	(213.8)
Canadian Polar Commission	5	5	0
Indian Specific Claims Commission	49	45	(4)

Operating Environment and Context

INAC is responsible for a complex portfolio of Aboriginal and northern responsibilities that has been shaped by centuries of history, unique demographic and geographic challenges, evolving jurisprudence, and increasingly sophisticated policy and legislative agendas. Perhaps no other department is responsible for such a wide range of issues, programs and services or is engaged with so many different partners.

Many factors influence the department's ability to achieve its desired strategic outcomes, including global and national economic trends; changes in social policy at national and provincial levels; court decisions; environmental impacts; First Nations, Inuit and Métis priorities; and federal, provincial and territorial relations, priorities and pressures. No single group has direct control over these variables. Jurisdictional considerations, statutory and fiduciary obligations, the special relationship between the federal government and Aboriginal people, and the aspirations and priorities of First Nations, Inuit, Métis and northern residents are all considerations. It is clear that the success achieved toward long-term outcomes has required sustained and joint commitment from a broad range of institutions and organizations, and will continue to do so in the future.

Context

In presenting the context of INAC's overall performance, it is useful to note several recent changes to its internal structure, as well as external factors that affect progress toward INAC's mission.

Internal factors

Within INAC, some restructuring took place in 2006–2007 that has added to its responsibilities.

On April 1, 2006, the Aboriginal Affairs Secretariat was transferred from the Privy Council Office to INAC. The Secretariat provides a co-ordination role for Aboriginal policies and programs across government. With this transfer, INAC assumed an enhanced leadership role in terms of managing the overall direction of the government's Aboriginal agenda.

On December 1, 2006, responsibility for Aboriginal Business Canada and the National Aboriginal Economic Development Board (NAEDB) were transferred from Industry Canada to INAC. Consolidating these programs and expertise within INAC's broader economic development activities such as Small Business Development, Economic and Financial Institutions, Community Investment Strategies, Major Project Participation and Access to Investment Capital will let us build on and strengthen such programming, and use federal resources more strategically and enable First Nations to participate more meaningfully in the economy. It will open up opportunities to expand jobs and incomes for all Aboriginal people, whether on or off reserve, in rural and remote settings. An updated Aboriginal Economic Development Strategy is currently under development, based on an analysis of approximately 120 studies completed after the 1996 Royal Commission on Aboriginal Peoples, and consultations with key stakeholders.

External factors

In 2006–2007, a range of external factors — including demographic changes, litigation, governance capacity and geographic conditions — continued to present challenges and opportunities for departmental performance and the delivery of programs and services.

Demographic changes

Aboriginal demographics continue to be one of the most important factors shaping the context for programs and services. The Aboriginal population is young and is growing more than two times faster than the overall Canadian population (see demographic profile on pages 9 and 10). These Aboriginal demographics create pressure for more schools, housing and public infrastructure, and for increases in social services to support the high rate of young family formations. As well, the age structure of the Aboriginal population presents opportunities for the Canadian workforce, regional economies and overall competitiveness, particularly in the Prairie provinces, the territories and urban centres that have high concentrations of Aboriginal youth. If properly supported with education and skills training, the growing population of young Aboriginal people presents an ideal pool of talent from which employers can draw and by which the overall Canadian economy can flourish.

Disparities in social and economic conditions between Aboriginal people and other Canadians are a serious challenge in terms of the performance of programs and services. Aboriginal people have lower levels of education, poorer health and higher rates of unemployment. They also experience higher levels of violence, particularly Aboriginal women. Many reserves have insufficient and inadequate housing and unsafe drinking water.

Furthermore, high mobility rates among Aboriginal people to and from reserves and surrounding communities, as well as within urban centres, creates challenges for program delivery mechanisms in terms of reaching those in need and in measuring performance. Providing services of a consistently high standard to a highly mobile population remains a major challenge for INAC.

Litigation

On the legal landscape, litigation is generating court rulings at every level within the judicial system, which are further refining Aboriginal and treaty rights as recognized by Canada's Constitution. These court rulings continue to influence the direction and timing of some initiatives in the government's Aboriginal agenda. Specifically, recent decisions, such as Chicot and Dene Tha', are further clarifying what activities trigger the Crown's legal duty to consult in relation to Aboriginal and treaty rights and how the Crown is expected to discharge this legal duty.

Governance capacity

INAC works toward governance and political development within First Nations communities, including the implementation of constitutionally protected self-government agreements, and the devolution of program responsibilities from the federal government to the northern territories.

It is important to note that the department works in partnership with First Nations that have a very broad range — or continuum — of capacities. At one end of the continuum are self-governing First Nations. At the other end are communities that require direct assistance to strengthen their governance capacity.

Similarly, the government's relationship with Canada's Inuit and Métis peoples needs to reflect their particular interests and priorities. They often have distinct affairs that require specific approaches. Overall, the great diversity between and among Aboriginal groups requires the government to engage with a range of Aboriginal governments and national and regional Aboriginal representative organizations.

The overall agenda for the North is to complete the devolution of all province-like responsibilities to northern governments at a pace set by Northerners, so that all Northerners increasingly manage their own political, resource, economic and social affairs. Each territory is at a different stage of evolution as onshore lands and resources transfers are complete in the Yukon, while they are being negotiated in the Northwest Territories and are at exploratory stages in Nunavut. The challenge is to manage the North's natural resources and to support the political and economic evolution of the territories in partnership with Aboriginal peoples and Northerners in a manner that facilitates development of strong northern governments, economies, communities and peoples.

Geographic conditions

Geographic and demographic conditions in Canada's North pose unique challenges for the delivery of programs and services — remoteness of communities, a severe climate and a sensitive environment. Gaps in infrastructure (e.g., connectivity, roads and ports), science and technology, and skills and capacities among governments, communities and individuals pose challenges for the sustainable economic growth of each territory. Many isolated First Nations communities south of 60° present similar challenges for program delivery.

At the same time, there is incredible opportunity. Canada's North holds world-class mineral, oil and gas deposits, which promise substantial long-term growth for the regional economy and a significant revenue stream for governments. The resource base under the control of First Nations communities is increasingly valuable in terms of the renewable and non-renewable resources available for development by the communities themselves. Resource development opportunities are significant and strategically important to Canada. There is great potential to make the North a major contributor to Canada's future prosperity while supporting sustainable development.

In summary, the achievement of INAC's strategic outcomes will continue to require an ongoing assessment of how the organization needs to evolve to take advantage of new and emerging opportunities, particularly as the expanding capacity of Aboriginal peoples and governments allows them to take greater control of their social, economic and political aspirations. The 2006–2007 fiscal year saw INAC continue to work with key partners, clients and stakeholders to deliver programs and services, and to achieve its overall mission of improved quality of life for Aboriginal people and Northerners. The information and data collected will bring improvements to program, policy and service design and delivery, and help determine priorities in the years ahead.

Demographic Profile of Aboriginal Canada

- The *Constitution Act, 1982* recognizes three distinct groups of Aboriginal peoples: Indians (more commonly referred to as First Nations, are further broken down administratively into Status/Registered Indians and non-Status Indians), Inuit, and Métis. These distinctions affect who has access to federally funded programs and services. For example, Post Secondary Education programming is provided to Status Indians and Inuit regardless of residency, while Child and Family Services are provided only to Status Indians living on-reserve.
- According to the 2001 Census, 976,310 people reported Aboriginal identity, amounting to 3.3 percent of the total Canadian population. Of the total Aboriginal (identity) population in 2001, 62.4 percent reported that they were North American Indian, 29.9 percent reported that they were Métis, and 4.6 percent reported that they were Inuit[2].
- The total Aboriginal population is growing at a rate of approximately 1.8 percent per year which is more then two times the overall Canadian growth rate. The Aboriginal population is young with a median age of 27 compared with a median age of 40 for all Canadians. About 49 percent of the Aboriginal population is under 25 years of age.
- The on-reserve Registered Indian population as well as the Inuit population are growing even faster with average annual growth rates of about 2.5 percent and 2.1 percent respectively. About 40 percent of the Registered Indian population is under the age of 20, compared with 24 percent of the overall Canadian population.
- In total, there are currently 615 First Nations communities, comprising more than 50 nations or cultural groups and more than 50 languages. About 59 percent of First Nations communities have fewer than 500 residents — only about eight percent have more than 2,000.
- Overall, 35 percent of on-reserve Registered Indians live in urban areas, while 45 percent live in rural areas, 17 percent in special-access areas and 4 percent in remote zones.
- In 2007, Registered Indians living on reserve are estimated to represent about 57 percent of the total Registered Indian population. There are about 460,300 on-reserve Registered Indians and about 345,400 who reside off-reserve.

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[2] For each Aboriginal identity group, a percentage also self-identified as Registered Indian as follows: 82.9 percent of the North American Indian identity population, 10.3 percent of the Métis population and 2.0 percent of the Inuit population.

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- The on-reserve Registered Indian population is expected to increase by about 50 percent between 2007 and 2029, compared with about 18 percent for the Canadian population as a whole over the same time period.

- The Aboriginal population of selected Census Metropolitan Area's (CMA) in Canada are as follows for 2001; Winnipeg: 55,760; Edmonton: 40,930; Vancouver: 36,855; Calgary: 21,910; Toronto: 20,300; Regina: 15,685; Ottawa–Hull: 13,485; and Montreal: 11,085.

- In 2001, the majority of Inuit (81.2 percent) resided in the four Inuit Land Claim Regions[3] while only 7.3 percent resided in CMA's. Of the population in CMA's, the majority were in Edmonton, Ottawa–Hull, Montreal and Toronto.

- Of the total Métis population in 2001, the majority (68.5 percent) resided in urban areas[4]. Further, the CMA's with the largest population of Métis were Winnipeg (31,390) and Edmonton (21,065).

Sources include: Statistics Canada, *2001 Census of Canada*; INAC, Indian Register; INAC, *Registered Indian Population Projection Series 2004–29*; Statistics Canada. *2005–56 Population Projection Series.*

Profile of the North

- Canada's North occupies 40 percent of Canada's land mass.

- There are few reserves in the North; in general, territorial governments are responsible for providing programs and services to all Northerners, including Aboriginal people.

- The three territories consist of some 96 communities; most of them home to small populations, the majority of whom are First Nations, Inuit or Métis.

- Some 92,300 residents are scattered across this area: Nunavut's population is 29,474, while there are 41,464 people in the Northwest Territories and 30,372 in Yukon.

- The population in the North is young, with 44 percent of the population under the age of 25.

- Over half of the population of the North is Aboriginal, varying from 85 percent in Nunavut to about 51 percent in the Northwest Territories and about 23 percent in Yukon.

- High school graduation rates in all three territories fall below the 75-percent national average. The rate in Yukon is 60 percent, in the Northwest Territories it is 43 percent, and only 25 percent of students graduate in Nunavut.

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[3] The four Inuit Land Claim Regions include Nunatsiavut, Nunavik, Nunavut, and Inuvialuit.

[4] Urban, as defined by Statistics Canada, refers to an area with a minimum population concentration of 1,000 persons and a population density of at least 400 persons per square kilometre.

Alignment with Government of Canada Outcomes

Based on the operating environment and context described above, INAC set and made progress on priorities for 2006–2007 that support the following five program-related strategic outcomes:

- **The Government:** Good governance, effective institutions and co-operative relationships for First Nations, Inuit and Northerners;
- **The People:** Strengthened individual and family well-being for First Nations, Inuit and Northerners;
- **The Land:** Sustainable use of lands and resources by First Nations, Inuit and Northerners;
- **The Economy:** Increased participation of Aboriginal people and Northerners in the economy; and
- **Office of the Federal Interlocutor:** Strengthened relationships with Métis, non-Status Indians and urban Aboriginal people to raise awareness of their needs and improve access to federal services with the aim of improving their socio-economic conditions.

These strategic outcomes shape policies, programs and services offered to First Nations, Inuit, Métis, and Northerners, and provide criteria for assessing the department's performance and progress.

Every department's strategic outcomes must align with Government of Canada outcomes. For INAC, The Government, The People, The Land and The Economy are strongly linked to five Government of Canada outcomes outlined in *Canada's Performance*, a companion document to Departmental Performance Reports (the 2006 report can be found at http://www.tbs-sct.gc.ca/report/govrev/06/cp-rc_e.asp). These are: Strong Economic Growth, A Clean and Healthy Environment, Healthy Canadians, Safe and Secure Communities, and a Diverse Society That Promotes Linguistic Duality and Social Inclusion. Through its strategic outcomes, program activities and priorities, INAC is committed to supporting Government of Canada efforts to achieve positive impacts on quality of life for all peoples in Canada.

Summary of Departmental Performance

This section summarizes departmental progress in achieving strategic outcomes through program activities and their expected results, and how strategic outcomes contribute to broader government-wide objectives.

Several examples of program activity results are provided for each strategic outcome. A complete report on all results can be found in Section II — Analysis of Program Activities by Strategic Outcome on page 17.

Departmental 2006–2007 Priorities and Program Activities by Strategic Outcome

The plans presented in the *2006–2007 Report on Plans and Priorities* (RPP) were three-year plans, which included milestones due within 2006–2007. Progress has been made on all plans, and the performance status below refers to the milestones that were to be achieved in the 2006–2007 fiscal year. For detailed performance information, see Section IV — Details of Contributions to Departmental Priorities, on page 66.

Priority	Program Activity Expected Results*	Performance Status for 2006–2007
Strategic Outcome: The Government		
Accountability and Capacity Building	*Governance and Institutions of Government* Strengthened First Nations and Inuit governance and capacity through legislative, policy and programming initiatives.	Milestones met
Northern Development	*Northern Governance* Strong northern governance and effective institutions allowing Northerners to be prepared for the challenges and opportunities resulting from northern development.	Milestones partially met
Strategic Outcome: The People		
Education	*Education* Students residing on reserves have access to elementary and secondary programs and services that are reasonably comparable with programs and services available in public schools in the province or territory in which the reserve is located. Eligible First Nations and Inuit people benefit from post-secondary education opportunities.	Milestones met
Women, Children and Families	*Social Development* Women's rights are protected and eligible clients on reserves receive social services that are reasonably comparable with services provided by the province or territory in which the reserve is located.	Milestones met
Accountability and Capacity Building	*Managing Individual Affairs* A new Secure Certificate of Indian Status implemented nationally.	Milestones partially met

*For planned and actual spending by program activity, see Table 1.

Priority	Program Activity Expected Results*	Performance Status for 2006–2007
Strategic Outcome: The Land		
Accountability and Capacity Building	*Responsible Federal Stewardship* Implementation of environmental management and stewardship programs and strategies, and modernized legislative and policy framework, for example, for commercial and industrial development, oil and gas management, and the Lands Registry.	Milestones met
	First Nations Governance over Land, Resources and the Environment Expansion of the *First Nations Land Management Act* and implementation of the *First Nations Oil and Gas and Moneys Management Act*.	Milestones met
Housing	*Responsible Federal Stewardship* Modernized legislative and regulatory framework for housing on reserves.	Milestones postponed
Mackenzie Gas Project; Northern Development	*Northern Land and Resources* The North's natural resources developed in an economically, socially and environmentally responsible manner.	Milestones met
Strategic Outcome: The Economy		
Water and Wastewater for First Nations Communities	*Community Infrastructure* First Nations communities' water and wastewater facilities meet federal guidelines.	Milestones met
Housing	*Community Infrastructure* Adequate on-reserve housing for First Nations communities.	Milestones partially met
Strategic Outcome: The Office of the Federal Interlocutor		
Education; Women, Children and Families; Housing; Accountability and Capacity Building	*Co-operative Relationships* Development and implementation of practical ways of improving socio-economic conditions for Métis, non-Status Indians and urban Aboriginal people through development of effective partnerships, development of organizational capacity and professional development.	Milestones met

*For planned and actual spending by program activity, see Table 1.

Overall, INAC succeeded in meeting the milestones it set for 2006–2007. In 8 out of 12 priority areas, the department achieved its milestones, in three areas milestones were partially met, and one set of milestones was postponed.

Housing milestones for 2006–2007 were partially met or postponed. While INAC committed to completing a 10-year housing strategy by March 2007, a critical prerequisite was a review and renewal of the current on-reserve housing policy and its foundations. Such a review is now under way and more time is required to complete the work and engage First Nations and other stakeholders as appropriate.

Although the Northern governance milestones were only partially met, the department has completed 90 percent of its commitments to reaching an agreement in principle for future devolution in the Northwest Territories.

Progress was made on the Certificate of Indian Status project, not all milestones were completed due to delays arising from an evaluation of the procurement strategy resulting in additional process requirements.

The Government strategic outcome includes accountability and capacity building through governance and institutions as well as co-operative relationships for claims settlements and self-government agreements, which give First Nations and Inuit the tools they need to improve economic and social well-being, and to support their cultures. Through legislative, policy and programming initiatives, First Nations and Inuit governance in particular have been strengthened. Examples include:

- The National Centre for First Nations Governance is in full operation and can respond to the diverse needs of First Nations and Inuit for implementing strong, effective and sustainable governments at different stages of development.
- Settlement of nine specific claims, as well as a historic agreement with the Cree Eeyou Istchee and the signing of the Nunavik Inuit Land Claim Agreement and subsequent introduction of the Nunavik Inuit Land Claim Agreement Act in Parliament.

The Government of Canada and the Government of the Northwest Territories have made significant progress in reaching an agreement in principle for N.W.T. devolution. The discussions in 2006 were successful in addressing most of the outstanding issues raised in the 2005 deliberations.

The Government strategic outcome supports the social inclusion component of the Government of Canada strategic outcome titled 'A diverse society that promotes linguistic duality and social inclusion', which seeks to ensure the full participation of all Canadians at the economic, social, political and cultural levels. (Government of Canada strategic outcomes are presented annually in *Canada's Performance*, a companion document to Departmental Performance Reports, available at http://www.tbs-sct.gc.ca/report/govrev/06/cp-rc_e.asp).

The People strategic outcome seeks to strengthen individual and family well-being for First Nations, Inuit and Northerners. In 2006–2007, INAC prioritized education, social development for women, children and families, and accountability and capacity building through managing individual affairs. Highlights of results include:

- Supporting Improved First Nations education outcomes through continued investments that supported the 115,000 First Nations learners in elementary and secondary schools, including those with special needs. In addition, the department invested $300 million to assist 24,000 First Nations and Inuit students pursue post-secondary education.
- The *First Nations Jurisdiction over Education in British Columbia Act* was introduced and passed by Parliament.
- The department has also continued to advance its Education Action Plan in collaboration with First Nations stakeholders by articulating roles, objectives, outcomes and performance indicators.
- A $6-million investment was made in 2006 to the Family Violence Prevention Program for prevention initiatives and new shelters. Further investments made in 2007 provided funds for the construction of five new shelters, plus additional operational support for the new shelters and 35 existing shelters.
- Implementation of the Alberta Response Model on reserves was explored to reduce the need for child removal from the parental home. Such initiatives represented a shift from a remedial and passive approach to social services to one that is proactive and focused on prevention.
- A Ministerial Representative was appointed in June 2006 to facilitate national consultations to develop solutions to the legislative gap regarding on-reserve matrimonial property. Consultations were held from September 20, 2006, to January 31, 2007. On March 9, 2007, the Ministerial Representative submitted a report to the Minister outlining recommended solutions.

- Bill C-44, An Act to amend the *Canadian Human Rights Act*, was introduced in December 2006. Bill C-44 proposes to repeal section 67 of the *Canadian Human Rights Act*, which prevents individuals, particularly those living on reserves, from making complaints of discrimination arising from actions taken or decisions made pursuant to the *Indian Act*.
- The department continued to support healthy northern communities through its delivery of the Food Mail Program, and by working with Aboriginal and northern communities to deliver direct social, educational and registration program services to Status Indians that were not being provided by territorial governments.
- The maintenance of a complete, accurate and current Indian Register and effective administration of First Nations individuals' estates and individual and band moneys.

The People strategic outcome supports the Government of Canada Healthy Canadians strategic outcome, and the social inclusion component of the Government of Canada strategic outcome, titled A diverse society that promotes linguistic duality and social inclusion, which seeks to ensure the full participation of all Canadians at the economic, social, political, and cultural levels.

The Land strategic outcome is sustainable use of lands and resources by First Nations, Inuit and Northerners. In response to its Report on Plans and Priorities commitments, INAC:

- Added 34,879 hectares to reserves from April 1, 2006, to March 31, 2007 — twice the amount added to reserves in 2005–2006. Speeding up the Additions to Reserve (ATR) process provides First Nations with greater access to land and resources and clarity of title.
- Significantly modernized the legislative and regulatory framework for First Nations land and resources by implementing the *First Nations Commercial and Industrial Development Act* and the *First Nations Oil and Gas and Moneys Management Act*.
- Reduced the number of contaminated sites in the North by 26, a reduction of 7 percent, in fiscal year 2006–2007.
- In the North, the department took steps to address the socio-economic pressures on N.W.T. communities from the Mackenzie Gas Project by undertaking an ongoing environmental assessment, and reached a settlement agreement related to the project with the Dene Tha' First Nation. The department continues to take steps to improve the regulatory system in the North to reinvigorate and redefine Canada's role in northern development, and to reduce complexity by increasing the predictability and efficiency of the regimes.

The Land strategic outcome supports the Government of Canada Clean and Healthy Environment and Strong Economic Growth strategic outcomes.

Housing, Water and Wastewater for First Nations Communities were priorities for **The Economy** strategic outcome in 2006–2007 as concrete ways of reducing the economic disparities between Aboriginal people and other Canadians. Successes include:

- $300 million in the Budget 2007 to create the First Nations Market Housing Fund, which will allow First Nations families and individuals to purchase, build or renovate homes on reserves, and to build equity as other Canadians do.
- Considerable progress in improving drinking water quality by implementing the Plan of Action for Drinking Water in First Nations Communities, including reduction of the number of high-risk water treatment systems on reserves from 170 to 90, a 24-hour support hotline to more than 875 water/wastewater operators and expanded training initiatives.
- In the North, 15 Yukon-based First Nations and Aboriginal organizations benefited from the Plan of Action. The department also administered a range of infrastructure programming in all three territories on behalf of Infrastructure Canada, which made significant contributions to water and wastewater services, as reported by Infrastructure Canada.

These investments in community infrastructure are basic but essential elements that individuals, communities and businesses need to seize economic opportunities.

In the North, the department also made other investments in territorial economies, such as expansion of geoscientific knowledge, through its Targeted Investment Program.

The Economy strategic outcome supports the Government of Canada's Strong Economic Growth strategic outcome, as well as its Safe and Secure Communities strategic outcome, which focuses on the ability of Canadians to adequately support themselves financially as a basis for quality of life.

The Office of the Federal Interlocutor (OFI) also met its targets in seeking to strengthen relationships with Métis, non-Status Indians and urban Aboriginal people. The OFI:

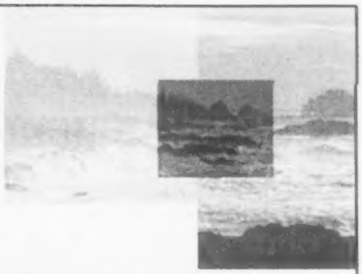
- Developed co-operative approaches within the federal government and with provincial governments and Métis organizations to manage the Métis Aboriginal rights set out in the Supreme Court of Canada *Powley* decision.
- Continued to implement the government's Urban Aboriginal Strategy through the transfer of $13.1 million in program funds to Western Economic Diversification and Service Canada. With these funds, urban Aboriginal communities, in co-operation with federal departments, provincial and municipal governments and the private sector, developed and implemented projects according to local priorities.

In these and other ways, the OFI is making progress toward its strategic outcome of greater awareness of its stakeholders' needs within the federal government, increased access to services and improved socio-economic conditions.

The Office of the Federal Interlocutor strategic outcome supports the social inclusion component of the Government of Canada strategic outcome A Diverse Society That Promotes Linguistic duality and Social Inclusion, which seeks to ensure the full participation of all Canadians at the economic, social, political and cultural levels.

INAC takes pride in the progress made in 2006–2007 toward its strategic outcomes. While always aware of ongoing challenges and risks, INAC is committed to further progress on the path it has set to improve the lives of Aboriginal people and Northerners.

SECTION II – ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOME



Indian and Northern Affairs Canada

Strategic Outcome: The Government

	2006–2007					
	Financial Resources* ($ millions)			Human Resources* (Full-time Equivalents)		
Program Activities	Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
Governance and Institutions of Governance	641.8	667.0	645.1	389.9	324.1	(65.8)
Co-operative Relationships	250.0	240.8	184.3	503.1	419.6	(83.5)
Northern Governance	11.3	13.2	8.1	59.3	31.4	(27.9)

*Includes direct and attributed resources (see explanation on p. 63)

The strategic outcomes for **The Government** are strong governments, effective institutions, good governance and co-operative relationships for First Nations, Inuit and Northerners. These outcomes are based on a vision of First Nations, Inuit and Northerners assuming greater control over their own affairs on the premise that they are best able to meet their needs and aspirations and improve their quality of life.

Program activities under the Government strategic outcome seek to create public confidence and support for First Nations, Inuit and northern governments, to establish their legal capacity to act, and to contribute to addressing resource issues in support of good government through capacity building, the development of contemporary fiscal relationships and the settlement of claims and grievances.

To achieve this, INAC works with First Nations governments and Inuit communities so that they may assume greater responsibility for their own affairs, through the transfer of administrative authority for the delivery of most programs and services, and through the negotiation of self-government agreements that expand law-making and political powers and establish new fiscal and political relationships. In addition, intergovernmental and treaty relationships provide a basis for the resolution of long-standing claims and disputes and for improved co-operation among governments and communities in Canada.

The overall agenda for the North is to complete the devolution of all province-like responsibilities to northern governments at a pace set by Northerners, so that all Northerners increasingly manage their own political, resource, economic and social affairs.

Meaningful progress was made in 2006–2007 under Governance and Institutions of Government program activities. INAC undertook development and transitional activities to bring into operation the four institutions created by *First Nations Fiscal and Statistical Management Act* (FNFSMA) — the First Nations Tax Commission, the First Nations Finance Authority, the First Nations Financial Management Board and the First Nations Statistical Institute. These actions support both the creation of institutions that are responsive to community needs and the attainment of community goals (intermediate outcomes).

Though there is much more work to be done, the results described above also indicate progress toward sustainable institutions that support First Nations and Inuit governments (end outcome).

Under the Co-operative Relationship program activities, several land claim and self-government agreements were negotiated, settled or implemented in 2006–2007. Landmark progress under the B.C. Treaty Process included the initialling of three final agreements and commencement of their respective ratification processes. In addition, several reviews were completed to assess and improve the implementation of agreements. In the area of Specific Claims, work continued on addressing the backlog of outstanding cases as well as work on the Specific Claims Action Plan designed as a new approach to speed up and improve the settlement of specific claims (intermediate outcomes).

While progress has been made in the area of Co-operative Relationships, new approaches and tools will need to be developed in the areas of comprehensive claims and self-government to be more responsive to the needs of First Nations and Inuit and to the evolving legal and political landscape.

Under Northern Governance activities, INAC delivered results related to increased engagement, participation and collaboration of all key agencies in northern governance (immediate outcome), and despite a few outstanding issues regarding N.W.T. devolution, the department has completed 90 percent of its commitments to reaching an agreement in principle for future devolution. The department was very effective in achieving the engagement/collaboration outcome for circumpolar issues, and strengthened intergovernmental co-operation internationally on circumpolar issues (intermediate outcome). Through its work with the Arctic Council and in co-operation with Russia and the Canadian International Development Agency (CIDA), major contributions were made to strengthen intergovernmental co-operation internationally on circumpolar issues (long-term outcomes).

An overview of these and other results for The Government program activities follows:

RESULTS BY PROGRAM ACTIVITY

Program Activity: Governance and Institutions of Government

Effective governance and institutions are the cornerstones of sustainable First Nations and Inuit governments and healthy First Nations and Inuit communities. It is recognized that different First Nations and Inuit communities are at different stages in terms of self-government. As such, the department's activities respond to the diverse needs of First Nations and Inuit communities through strategies that support them in implementing strong, effective and sustainable governments.

The expected results of this program activity included: 1) enhancing the capacity of First Nations and Inuit communities to implement and manage effective governance; 2) ensuring that financial transfer arrangements are matched to First Nations and Inuit capacity; and 3) developing First Nations and Inuit institutions.

Regarding innovative and equitable fiscal relationships that respond to the needs of First Nations and Inuit governments and communities, the department continued to implement the recommendations and action plan flowing from the evaluation of the Alternative Funding Arrangement (ARA) and Flexible Transfer Payment. In addition, as part of the tripartite review of some Yukon land claims and self-government agreements, the parties continued to make practical progress towards completing a review of the Yukon First Nations Governments' expenditure needs for general government functions, with the conclusion of the governance phase of the process.

In order to strengthen governance capacity, more than 200 First Nations and Inuit communities improved their governance practices, under INAC's Professional and Institutional Development Program, by developing tools such as codes, policies and strategic plans, and by receiving training.

INAC funded training projects for another 100 First Nations that were experiencing difficulty in financial management. The programs included development and the implementation of Remedial Management Plans. Some First Nations also instituted accounting and internal control systems that had been recommended by their auditors.

The department continued to provide funding to First Nations and Inuit community members, which in turn provided input for the department's development of consultation, policy and processes.

In 2006–2007, additional work was completed to give effect to the various boards and commissions created under the *First Nations Fiscal and Statistical Management Act* (FNFSMA). The department continues to support development and transitional activities required to bring the First Nations Tax Commission, the First Nations Finance Authority, the First Nations Financial Management Board and the First Nations Statistical Institute into operation in 2007–2008.

As of March 31, 2007, the National Centre for First Nations Governance (NCFNG) was in full operation. It provides services that fall within four core business lines: Governance Advisory Services; Professional Development Services; Land, Law and Governance Research; and Public Education and Communications. The NCFNG has also opened its five regional offices across Canada. The offices serve as main points of contact for all NCFNG services and programs.

Under the Labrador Inuit Association (LIA) Final Agreement, signed in 2005, the Torngat Joint Fisheries and the Torngat Wildlife and Plants Co-Management Boards were established and held their first meetings. These boards are integral to the co-management of resources in the settlement areas. The FNFSMA, the NCFNG and the LIA boards are solid examples of the development of First Nations and Inuit institutions.

In terms of lessons learned; the complexities of developing legislative and non-legislative-based institutions has had an impact on how long it has taken to make them operational.

Program Activity: Co-operative Relationships

Negotiations and agreements help to create favourable conditions for socio-economic and cultural growth in communities. Negotiations fulfill constitutional obligations, address historic lawful obligations, promote mutual respect and reconciliation, build partnerships, help define common agendas and reduce conflict.

The Government of Canada remains committed to productive negotiation processes. Existing processes have generated a significant number of agreements and settlements during the last 30 years and continue to produce innovation in both policy and process. In 2006–2007, federal, provincial and territorial governments and First Nations and Inuit groups continued to build the foundation for co-operative relationships. Expected results for this program activity include: increased clarity and certainty over lands and resources; the establishment of First Nations and Inuit governments accountable to their citizens; settlement of legal obligations; identification, clarification and resolution of policy issues; and negotiation and implementation of land claims and self-government agreements.

In 2006, the Government of Canada, the province of British Columbia and the First Nations Education Steering Committee of British Columbia worked closely to negotiate and sign a tripartite First Nations Education Jurisdiction Framework Agreement setting out parties' responsibilities in recognizing First Nations jurisdiction. This historic document has paved the way for several more tripartite frameworks between Canada, various provinces and First Nations groups, which have since been initiated.

In 2006–2007, a total of 34 specific claims were concluded, including nine resolved through negotiated settlements with First Nations, 17 having no lawful obligation, while eight others were closed. The nine settlements resulted in financial compensation in the order of $15.8 million flowing from the Government of Canada to First Nations in various parts of the country. In addition, negotiations commenced on 12 specific claims, bringing the total number of specific claims in negotiations on March 31, 2007, to 123.

In the area of identification, clarification and resolution of policy issues, a number of reviews were undertaken by the department along with its partners, which resulted in a re-engineering of the internal specific claims review process. Although this presented challenges in maintaining the focus on existing negotiation/review processes, these reviews and the re-engineering are being used to support a major initiative which was announced in June 2007 by the Prime Minister ("Justice At Last"). This initiative will address the huge backlog of unresolved treaty claims (790) that has been the source of division and conflict in communities across the country.

For the 2006–2007 reporting period, significant milestones were achieved at various land claims tables. Highlights include the signing of the Nunavik Inuit Land Claims Agreement and the introduction of legislation to enact the Agreement (Bill C-51); the signing of a framework agreement with the Province of Nova Scotia and the M'ikmaq of Nova Scotia; the completion of the negotiation of an interim land withdrawal process within the Akaitcho Territory; and the start of a comprehensive claim and self-government negotiation process with Ashuanipi of Quebec.

There are 115 First Nations involved in the B.C. treaty process as 58 individual First Nations, groups or tribal councils, negotiating at 48 tables (some First Nations or groups negotiate at a common table). First Nations in the treaty process represent about two-thirds of all Aboriginal people in British Columbia: 39 First Nations are involved in Stage 4 agreement-in-principle (AIP) negotiations and 8 First Nations are involved in Stage 5 negotiations to finalize a treaty. The Maa-nulth First Nations, Lheidli T'enneh Band, Sliammon Indian Band, Tsawwassen First Nation, Yekooche Nation, Yale First Nation and In-SHUCK-ch Nation have signed AIPs — the blueprint for a final treaty. Many First Nations made excellent progress in the B.C. treaty process in 2006–2007.

As with the claims processes, Canada remains committed to productive negotiations that will establish First Nations and Inuit governments accountable to their citizens. While no new stand-alone self-government agreements were reached in the past fiscal year, notable progress was made at several negotiation tables. A key milestone in the reporting period was the signing of the Union of Ontario Indians (UOI) governance AIP; the UOI represent 42 First Nations in this negotiation process. In addition, there are 10 negotiations working on completion of AIPs and seven negotiations working on the completion of final agreements. The federal government continues to work with the 18 First Nations and Inuit groups that are self-governing in Quebec, Newfoundland and Labrador, British Columbia, Yukon and the Northwest Territories.

The department continued to work with its Aboriginal and provincial/territorial partners in implementing more than 20 land claims and/or self-government agreements currently in place. Highlights include the creation of the Labrador Inuit Implementation Committee, the completion of the Second Independent Five-Year Review of Implementation of the Nunavut Land Claims Agreement, and the Yukon First Nations Final and Self-Government Agreement Implementation Review. The Governance segment of the Yukon First Nation Governments gross expenditure base review was concluded, with findings presented to INAC senior management.

Another major highlight of 2006–2007 was the historic agreement reached with the Cree of Eeyou Istchee. This out-of-court settlement addresses the past 30 years of implementation as well as setting the parameters for the parties' relationship with regards to implementation over the next 20 years. Subject to James Bay Cree ratification, the agreement also sets the stage to commence tripartite self-government negotiations with the Cree and the Government of Quebec.

Lessons have been learned. Evolving constitutional law, changing public and economic environments, and experience from existing processes have identified a range of policies and processes that will need to be updated to address Aboriginal and treaty rights. In responding to the 2006 Auditor General's Report on Federal Participation in the British Columbia Treaty Process, INAC has accepted the recommendations and developed an action plan to guide activities in areas of policy development, consultation and accommodation, process management and reporting structures.

In the implementation of comprehensive land claims and self-government agreements, INAC recognizes that it must work more effectively with federal, provincial/territorial and Aboriginal partners to find practical solutions to the issues and challenges in an effort to avoid the initiation of legal action.

Program Activity: Northern Governance

The Northern Governance program activity is focused on establishing and maintaining good governance, effective institutions and co-operative relationships for First Nations, Inuit and Northerners. A self-sufficient and prosperous northern region, in which Northerners manage their own affairs, enjoy a quality of life comparable with other Canadians and make strong contributions to a dynamic, secure federation are fundamental to the Northern Governance mandate. The Northern Governance program activity supports strengthening northern governments through devolution of province-like responsibilities, effective intergovernmental mechanisms and management of strategic issues, as well as strengthened domestic intergovernmental co-operation on international circumpolar issues.

Northern Governance milestones were only partially met as work is still being done to negotiate an agreement in principle for N.W.T. devolution. After a pause of over one year in formal negotiations toward an AIP on devolution of land and resource management responsibilities to the Northwest Territories, discussions resumed in November 2006 between the Government of Canada and the Government of the Northwest Territories (GNWT). The objective of those discussions was to resolve those issues that were identified by the GNWT as outstanding in 2005. Despite the recent litigation filed by Nunavut Tunngavik Incorporated, they continue to remain a key and active partner. In March 2007, a number of Aboriginal groups in N.W.T. supporting devolution rejoined the negotiations. While considerable progress was made, a number of outstanding issues require additional work.

Work continued throughout 2006–2007 on the development of a negotiation mandate to transfer INAC's province-like responsibilities to the Government of Nunavut. Notable milestones include the appointment in November 2006 of Paul Mayer as Senior Ministerial Representative for Nunavut devolution; intensive consultations with the Government of Nunavut, Nunavut Tunngavik Incorporated and other stakeholders from December 2006 to February 2007; and the submission of Mr. Mayer's report to the Minister on March 30, 2007.

INAC activities in the circumpolar region contribute to the advancement of Arctic issues by ensuring that the international dimensions of Canada's northern agenda are being addressed, both multilaterally and bilaterally. INAC's international interventions focus on such critical issues as the environment, health, socio economic development and capacity building.

During the reporting period, INAC continued in its key role of co-ordinating Canada's participation in the Arctic Council, which is the focal point of Canada's efforts to address common concerns and challenges faced by Arctic governments and people. INAC support to the Arctic Council Senior Arctic Officials facilitated the advancement of Canadian priorities under the Russian Chairmanship of the Arctic Council: integrating the findings of the Arctic Human Development Report (AHDR) and the Arctic Climate Impact Assessment (ACIA) into the work of the Arctic Council; participating in the follow up to the AHDR and ACIA, and in the implementation of the Arctic Marine Strategic Plan. INAC support also contributed to Canadian leadership in emphasizing the human dimension of Arctic issues in the work of the Council.

INAC provided support for northern and Aboriginal peoples' participation in the work of the Arctic Council, and its working groups, and in Arctic co-operation with Russia during the reporting period, thus supporting the goal of good northern governance, which requires the active participation of Northerners in the management of circumpolar issues.

INAC involvement in circumpolar issues extends to bilateral co-operation with Russia through an initiative to share best practices in sustainable northern economic development and governance with the Siberian Federal District, one of Russia's largest and most diverse northern regions. Through this initiative and the department's participation in the delivery of CIDA new technical assistance project in Russia, the Canada Russia Northern Development Partnership Program, INAC advanced its objective of positively influencing northern policy-making in the Russian Federation, an important northern partner for Canada in terms of energy, the environment, and Aboriginal peoples. Over the reporting period, the department shared elements of Canada's experience in northern development through a number of activities, including sponsoring a conference on federalism and law in the North and a panel on circumpolar well-being at the Aboriginal Policy Research Conference, as well as by developing a strategy for advancing corporate social responsibility through public private partnerships in Russia.

The department also facilitated business linkage between the Canadian and Russian northern regions, which included supporting the Circumpolar Chamber of Commerce; contributing to a Northern Trade Development Strategy and Circumpolar Trade Inventory; and sponsoring the participation of Russian companies at the International Construction Exhibition.

INAC also supported the Canada Russia bilateral partnership through its active participation in the Arctic and North Working Group of the Canada Russia Intergovernmental Economic Commission.

Strategic Outcome: The People

	2006–2007					
	Financial Resources* ($ millions)			**Human Resources* (Full-time Equivalents)**		
Program Activities	**Planned Spending**	**Total Authorities**	**Actual Spending**	**Planned**	**Actual**	**Difference**
Managing Individual Affairs	15.8	17.1	17.1	80.3	99.3	19.0
Education	1,656.5	1,686.4	1,679.8	879.7	877.7	(2.0)
Social Development	1,354.7	1,432.2	1,425.7	626.1	609.6	(16.5)
Healthy Northern Communities	106.4	96.5	96.4	53.2	50.1	(3.1)

***Includes direct and attributed resources (see explanation on p. 63)**

The People strategic outcome is strengthened individual and family well-being for First Nations, Inuit and Northerners in support of an improved quality of life.

Activities within The People strategic outcome focus primarily on Aboriginal peoples on reserves. INAC strives to promote access to a range and level of services that are reasonably comparable with those accessible to Canadians living off reserves in similar circumstances. These efforts support legal, constitutional and statutory responsibilities under the *Indian Act*. At the same time, activities under this strategic outcome also support further First Nations and Inuit control, and eventual jurisdiction, over the policies, programs and services that most directly affect individual and family well-being.

In the North, INAC is responsible for the Food Mail Program, which helps ensure that people living in isolated communities in northern Canada have the physical and economic means to obtain sufficient safe and nutritious food at all times. In addition, the department contributes to the health and well-being of Northerners by providing grants for physician services. The department also contributes to scientific research and adaptive strategies for climate change in the Arctic, primarily through our leading role in International Polar Year (IPY).

Program activities supporting The People take place at several levels. The department undertakes program and service design, delivery and evaluation. It also ensures that adequate policy and management frameworks are developed and effectively implemented so that communities are willing and able to take on program and service responsibilities. To support First Nations and Inuit taking control of their own affairs, the department establishes partnerships to ensure successful transfer of responsibilities and focuses on capacity building to ensure that communities can successfully manage these responsibilities.

Measuring Outcomes

In terms of achieving outcomes over the 2006–2007 period, INAC achieved administrative and process improvements related to the Indian Register and membership that helped to increase First Nations' capacity to control individual affairs such as membership/citizenship (immediate outcome). The department continued to provide effective federal stewardship over education programs and policies by investing in culturally relevant education for First Nations children in elementary and secondary schools, including those with special needs, and assisted eligible First Nations and Inuit individuals to gain access to post-secondary education and mentored work experience (immediate outcome). Key milestones were the implementation of INAC's Education Action Plan, which clarifies the roles of all stakeholders, and the passage of the *First Nations Jurisdiction over Education in British Columbia Act* to increase First Nations responsibility for on-reserve (kindergarten to Grade 12) elementary and secondary education.

Several activities indicate progress toward more intermediate outcomes. In particular, INAC has successfully obtained funding for and implemented more prevention-driven family violence and child protection services. This kind of renewed social programming (intermediate outcome) helps to create safe and secure living environments for communities, families and individuals by eliminating or reducing incidents of family violence, and abuse and neglect of adults and children.

A review of the Food Mail Program, combined with cost savings and service improvements continue to improve supply and increase consumption of nutritious perishable food in isolated northern communities (immediate outcome).These activities contribute to improved food security, nutrition and health for Northerners (intermediate outcome).

RESULTS BY PROGRAM ACTIVITY

Program Activity: Managing Individual Affairs

The Minister of Indian Affairs and Northern Development, in accordance with the *Indian Act*, has responsibilities with respect to maintaining the Indian Register, registration of Indians and issuance of Certificates of Indian Status, membership, management of trust funds, estates management and payment of treaty annuities and allowances.

The following results were achieved in 2006–2007:

- 350 current departmentally-controlled band lists were complete and accurate;
- 107,102 Certificates of Indian Status Cards were issued, fulfilling the documentary requirement needed for Registered Indians to access eligible entitlements;
- 240 First Nations were exercising control of their own membership pursuant to section 10 of the *Indian Act*, demonstrating that First Nations-determined band membership is a viable option;
- 486 Indian Registration Administrators carried out program responsibilities demonstrating the success of the delegation of Indian Registrar authority to the First Nations;
- 3,624 estates were opened and 1,792 were closed from April 1, 2006, to March 31, 2007;
- 1,072 estates were administered by INAC;
- 2,045 estates were administered by First Nations;
- 360 treaty events were held in order to meet treaty obligations; and
- 500,000 annuitants received payments in order to meet the allowance obligations.

Indian Registration Administrators held a national forum on November 15–17, 2006 with First Nations representatives from across Canada to share best practices and experiences, and facilitate the development of a national network through which they can enhance capacity and support one another in the administration of the Indian Registration program. Supporting and organizing this forum contributed to INAC's goal of ensuring that the responsibilities and functions of the Office of the Indian Registrar are delegated to the First Nations in a manner that builds capacity and facilitates future devolution.

Another forum of various First Nations groups was held on February 9, 2007, to share best practices and challenges in the development and maintenance of membership codes. The forum examined ways that the department could better facilitate and assist the transfer of the determination of band membership to the remaining 260 First Nations in accordance with section 10 of the *Indian Act*. The forum was an important step in discovering and overcoming obstacles to the transfer of control to First Nations.

Four audits of regional and First Nations offices were conducted for the estates program as a result of a number of new policies that had been implemented. These audits were conducted to strengthen the partnership between headquarters (HQ) and regional operations, to reinforce the importance of adhering to the new policies, to provide mentoring and training opportunities and to confirm that the policies were realistic in relation to operations at the regional and community levels. These audits strengthened the department's capacity to handle estates cases and will ultimately improve the level of client service at the Regional level to be more timely, sensitive and professional.

The computerized Estates Reporting System was completed and introduced nationally in phased intervals in order to facilitate effective transition and provide for staged train-the-trainer sessions for the regions. It is a proactive tool with which regions can effectively manage their estates caseloads and which the department can use to monitor compliance with established policies.

In relation to ongoing statutory obligations, 35 expenditure requests were received from First Nations and approved by the Minister in accordance with 64(1)(k) of the *Indian Act*, totalling over $60 million. These funds were used for community-based programs or to supplement INAC program funding in areas such as education.

Program Activity: Education

INAC establishes overall elementary and secondary school education policies, funding levels and delivery requirements for Status Indians living on reserves, while First Nations deliver education on reserves, arrange to buy education services from local provincial school boards, or use a combination of both. INAC also supports First Nations and Inuit post-secondary education by providing funding to First Nations communities and Inuit organizations and to post-secondary institutions.

Highlights of program activity results are:

- The department invested $1.2 billion to support First Nations in providing high-quality, culturally relevant education programs to the approximately 115,000 First Nations learners attending elementary and secondary schools.
- The *First Nations Jurisdiction over Education in British Columbia Act* was passed by Parliament in December 2006, which will allow interested First Nations in British Columbia to take full control over on-reserve education (kindergarten to Grade 12).
- As part of its core elementary and secondary funding, INAC continued to support the needs of First Nations students with special education requirements. It also undertook a review of this critical initiative as part of the department's commitment to continuous program improvement.

- The department invested over $300 million to assist approximately 24,000 eligible First Nations and Inuit in their pursuit of post-secondary education opportunities. INAC also examined the recommendations of a 2007 Standing Committee on Aboriginal Affairs and Northern Development report on Aboriginal post-secondary education in Canada in order to incorporate key findings in program renewal efforts.
- Through the First Nations and Inuit Youth Employment Strategy, approximately 122,000 young Aboriginals received mentored work experience to develop and enhance employability skills, provide exposure to a variety of career options and promote the vital role of education in increased labour market participation.
- Preservation and revitalization of First Nations and Inuit cultures and languages were also supported within the education system as well as by funding of approximately 110 Cultural Education Centres through INAC's Cultural Education Centres Program (CECP).
- Work advanced on the implementation of INAC's Education Action Plan. Solid progress has been made, in collaboration with First Nations stakeholders to clearly articulate respective roles and responsibilities, policy objectives and expected outcomes leading to shared accountability. A finalized Education Policy Framework and draft Management Framework are under way.
- Progress continues on a key component of the Education Management Framework — the performance measurement strategy — with the following data management work under way:
    - The development of performance indicators, reporting requirements, a data capture tool and a performance reporting system were undertaken to enhance accountability and transparency.
    - The collection of Nominal Roll data has been harmonized among regional offices and headquarters, an important step in improving data collection through standardization of definitions and reduction in the reporting burden.
    - The National Education Dashboard continues to be implemented nationally, providing INAC with electronic access to information on departmental education programs and offering decision support to important aspects of education renewal efforts.

The Manitoba Region, in collaboration with the Assembly of Manitoba Chiefs (AMC) and the Manitoba First Nations Resource Centre (MFNERC), changed the high-cost special education funding model from assessment to an intervention-based model. The new funding model facilitates better planning and better results-based accountability. In addition, the Manitoba Region, in collaboration with headquarters, First Nations partners, and the provincial government, laid the groundwork for joint efforts at improving First Nations education outcomes through a project to commence in 2007–2008 fiscal year.

Program Activity: Social Development

This activity supports the safety and well-being of First Nations individuals and families. It involves support for the delivery of social services on reserves. Social services include: income assistance, which helps to provide the basic needs, such as food, clothing and shelter; child and family protection and prevention services; non-medical assistance for persons with functional limitations and chronic disabilities; and family violence prevention. Social services are to be provided at a level that is reasonably comparable with provincial and territorial programs and standards.

During 2006–2007, the federal approach to social development on reserve started to move away from remedial and passive measures. A new Social Development Policy Framework has been developed with First Nations partners, provincial/territorial and other government representatives, to move towards more proactive programming to better promote the social well-being of children, youth, adults and elders.

The social programs under this activity focus on prevention and active measures to empower individuals and families to become self-sufficient and live in prosperous communities. At the same time they continue to provide a sustainable and responsive delivery of social support services. The approach emphasizes strengthening accountability for results and establishing horizontal linkages between related federal government departments, central agencies, provinces, territories, First Nations service agencies and other First Nations partners. Regions have begun to engage regional organizations as well as First Nations social program administrators to discuss implementation of active measures for social programming.

The following results were achieved in 2006–2007:

Legislation was introduced in December 2006 to amend the *Canadian Human Rights Act* by repealing section 67, which currently shields actions or decisions taken under or pursuant to the *Indian Act* from application of the *Canadian Human Rights Act*.

With respect to First Nations Child and Family Services (FNCFS) program, INAC is exploring the implementation of the Alberta Response Model on reserves. This model, which is focused on prevention, would reduce the need to remove children from the parental home and empower individuals with the tools to better care for their children or seek more effective care options.

The Family Violence Prevention Program (FVPP) obtained $6 million for 2006–2007 to support a number of time limited initiatives, such as one-time purchases (e.g., new bedding) to provide quality shelter services, and the rollout of prevention tool kits, and a youth gathering/meeting on family violence prevention. New FVPP policy authorities approved until March 31, 2012, include the construction of up to five new shelters as well as additional operational support for those shelters and the 35 existing shelters.

In October 2006, the department participated in the first Forum of First Nations in collaboration with the Assembly of First Nations of Québec and Labrador and the Government of Québec in the Community of Mashteuiatsh. This forum provided for an important exchange on socio-economic questions, gathering at the same table First Nations, Inuits, Civil Society and the Government of Québec and Canada.

In collaboration with the National Aboriginal Circle Against Family Violence, the Assembly of First Nations, the Native Women's Association of Canada, the provinces and territories and shelter directors, INAC developed a new funding formula for existing shelters. Federal partners include the Public Health Agency of Canada (PHAC), Justice Canada, Status of Women Canada (SWC), Public Safety Canada, Statistics Canada and Canadian Heritage, which together form a working group to address issues of family violence against women from the government's perspective, share information and provide linkages between departments.

In March 2007, INAC obtained approval to move towards structural reform of social programs and implement preventative-based programming for both FVPP and FNCFS; also as part of the authorities renewal process, INAC was required to perform an evaluation of the First Nations Child and Family Services program. The evaluation, which was completed in March 2007, focused on ways to improve the program and outcomes for First Nations children and their families. As a result, the FNCFS updated its programming to include prevention programming in order to reduce the number of children coming into care (i.e., reduce over-representation of Aboriginal children in care), to allow children to stay safely at home, and to provide referral to other services to improve outcomes for kids. The program also identified performance measures and will work with provinces, territories and First Nation partners to monitor them.

INAC, in concert with First Nations, provincial/territorial and other federal department representatives, developed the Social Development Policy Framework, which includes program-specific action plans to be implemented in an incremental fashion.

Program Activity: Healthy Northern Communities

This program activity supports improvements in health and well-being of Northerners through grants for hospital and physician services for Indian and Inuit residents in the Northwest Territories and Nunavut; the transportation of nutritious perishable foods and other essential items to isolated northern communities (provincial and territorial) at reduced rates; the conduct of research into the sources and effects of contaminants on the Arctic food chain; initiatives to assist Northerners to deal with broad issues such as the impacts of climate change, increased knowledge related to contaminants and traditional/country foods among northern communities; and promotion of international controls on contaminant emissions.

The following results were achieved in 2006–2007:

By providing funding to Canada Post to subsidize the shipment of nutritious perishable food and other essential items by air to isolated communities under the Food Mail Program, INAC makes healthy food more affordable and encourages healthier eating practices. There was no increase in rates charged for food mail service despite a 7-percent increase in the volume of shipments, overall funding for 2006–2007 remained stable.

As announced in November 2006, Winnipeg was designated as an additional entry point for food mail service to the Kivalliq region of Nunavut, based on a 2005 review of the Churchill food entry point. This move will reduce prices and improve food quality in the region's seven communities.

Food price surveys were conducted in 37 northern communities and southern supply centres in 2006–2007, and the results of 33 surveys conducted in 2006 were posted on the department's Web site. The department also completed work on a Revised Northern Food Basket to be launched in 2007, which will provide a more realistic picture of the cost of a healthy diet in isolated northern communities, consistent with current nutrition recommendations and cultural preferences.

The department also initiated a review of the structure, focus, funding and other criteria for the Food Mail Program, based in part on the evidence obtained from food mail pilot projects under way in three communities. The purpose of the review is to ensure the most effective and efficient means of achieving reasonable prices for delivery of nutritious perishable food and other essential items to approximately 140 isolated northern communities.

The International Polar Year office completed scientific and social/cultural review of scientific research proposals that resulted in the selection of 44 projects to address IPY priorities for climate change impacts and adaptation and health and well-being of northern communities.

Strategic Outcome: The Land

	2006–2007					
	Financial Resources* ($ millions)			Human Resources* (Full-time Equivalents)		
Program Activities	Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
Clarity of Title to Land and Resources	11.3	13.1	10.9	27.7	37.2	9.5
Responsible Federal Stewardship	57.3	120.4	120.4	130.8	279.6	148.8
First Nations Governance over Land, Resources and the Environment	46.0	24.1	15.4	68.4	23.2	(45.2)
Northern Land and Resources	174.0	188.5	182.7	412.8	410.0	(2.8)

*Includes direct and attributed resources (see explanation on p. 63)

The Land strategic outcome is the sustainable use of lands and resources by First Nations, Inuit and Northerners. Historically, the federal government has had virtually complete authority over First Nations reserve lands, resources and environment, and the monies (Indian Moneys) derived from those sources. In recognition of this reality and of the aspirations of First Nations people and communities for greater control and decision-making, The Land strategic outcome is based on a vision of First Nations governance over their lands, resources and environment.

To achieve this vision, INAC works toward:

- developing the underlying infrastructure and capacities for First Nations management of reserve lands, natural resources and the environment (immediate outcomes);
- creating opportunities for more direct First Nations responsibility and control (intermediate outcomes);
- economic development, improved socio-economic and environmental conditions, and sound First Nations governance over land, resources and the environment (end outcomes) that will allow the vision for The Land strategic outcome to be realized; and
- in the North, it exercises provincial-like responsibilities over land and resources, except for Yukon where those responsibilities have been devolved.

Significant progress toward many of the immediate outcomes has now been achieved. Some of the more significant accomplishments include:

- providing First Nations with greater access to lands and resources by strengthening the Additions to Reserve (ATR) process through better planning, a tracking system and the introduction of new First Nations tools;
- progress toward meeting the ministerial commitment of adding 150,000 acres to reserves in Manitoba by August 22, 2007, to fulfill Treaty Land Entitlement obligations;
- strengthening land and environmental management skills through the piloting of the Reserve Land and Environment Management Program (RLEMP), and the strengthening of the Professional and Institutional Development (P&ID) program;
- promoting responsible federal stewardship of reserve lands by remediating contaminated sites on reserve;
- strengthening the legislative and regulatory framework for commercial and industrial development on reserve through the enactment of the *First Nations Commercial and Industrial Development Act* (FNCIDA); and
- creating/establishing a legislative and regulatory framework for First Nations to assume control and management of their oil and gas and/or Indian monies from those sources, by opting for the *First Nations Oil and Gas and Moneys Management Act* (FNOGMMA).

Besides significant progress in achieving immediate outcomes, The Land strategic outcome began to see results in 2006–2007 toward some longer-term outcomes. Central to this progress was the significant modernization of the legislative and regulatory framework for First Nations land and resources, including the implementation of the FNCIDA and the FNOGMMA, and the amendment of the *First Nations Land Management Act* (FNLMA) so that it would apply equally within Quebec's civil law jurisdiction as it does under the common law jurisdictions of other provinces. Working with the Indian Resource Council, INAC has begun to prepare amendments to the *Indian Oil and Gas Act* (IOGA) to reflect modern regulatory practices. These initiatives provide key opportunities for greater First Nations control and increased economic development. Support for additional FNCIDA projects, coupled with the implementation of FNOGMMA and the expansion of FNLMA to more First Nations, will generate not only improved conditions for those participating communities, but also the experiences, tools and technologies to enable other First Nations to more readily take advantage of similar opportunities in the future.

Moving forward, there is also an awareness of the needs of those First Nations that are not in a position to take advantage of new initiatives. As such, close attention is paid to responsibilities under the *Indian Act*, and to those day-to-day, core business functions that more quietly promote sustainable use of First Nations land and resources. These initiatives — to speed up the Additions to Reserve process, to fully implement the Reserve Land and Environment Management Program, to design structural improvements to the land management system, to develop future options for Indian Oil and Gas Canada, and to modernize the Indian Land Registry System — remain part of 'the Land' agenda. A careful balance is needed between change and sustaining elements in order to prevent a greater gap from emerging between those First Nations able to take on leadership roles and those First Nations that require ongoing responsible federal stewardship for the foreseeable future.

To promote this balance and to ensure a realistic and viable Land strategic outcome agenda, INAC continues to build on the relationships and partnerships that have enabled past successes. First Nations-led initiatives, such as FNOGMMA, established new and productive working relationships with pilot First Nations. In a similar way, the experience of working with First Nations in the implementation of FNCIDA and FNLMA has allowed INAC to follow the lead of First Nations in shifting the balance of responsibility and control in a manner that promotes sound First Nations economic development and governance. Additionally, partnerships with First Nations organizations, such as the National Aboriginal Land Managers Association (NALMA), the Lands Advisory Board (LAB) and the Indian Resource Council (IRC), and with institutions such as the University of Saskatchewan, have tapped into experience and expertise critical to the success of Land strategic outcome initiatives such as FNLMA, RLEMP, FNOGMMA, and IOGA modernization. With ongoing opportunities both in the regions and at headquarters to discuss the Land agenda with First Nations and First Nations groups facing a variety of circumstances, INAC hopes to move swiftly and collaboratively to achieve the Land strategic outcomes.

In the North, there was significant focus in 2006–2007 on supporting the advancement the Mackenzie Gas Project and taking steps to improve the resource management regulatory system. International demands for new sources of oil and natural gas have resulted in a major commitment to exploration investment in the North, including a proposal to bring into production major gas fields in the Mackenzie Delta and to build a gas pipeline down the Mackenzie Valley. INAC's role in co-ordinating interdepartmental and intergovernmental efforts in relation to the Mackenzie Valley Gas Project continues to be a departmental priority, with the goal of ensuring that the Government of Canada advances national interests while meeting its obligations and responsibilities regarding the pipeline project in a timely, efficient way.

Continued collaboration is needed to ensure effective management of the impacts that will result from increased resource development in the territories. The department continued to work with stakeholders on issues such as the clarification of roles and responsibilities, increasing the capacity of resource management boards, funding issues, improving appointment processes, and identifying and addressing gaps and inconsistencies in policy or legislation.

RESULTS BY PROGRAM ACTIVITY

Program Activity: Clarity of Title to Land and Resources

The department remains committed to providing First Nations with access to additional lands and resources, whether through Additions to Reserve (ATR), or through the transfer of lands to First Nations ownership through comprehensive land claims agreements. In 2006–2007, close attention was paid to the department's performance in completing ATR. This attention derives from three sources: the recommendations from the Office of the Auditor General for improvements to the ATR process; the Minister's commitments in Manitoba and Saskatchewan to increase the number of acres added to reserve; and the department's priority focus on the more timely resolution of specific claims, which will create additional pressures on the ATR process. Between April 1, 2006, and March 31, 2007, 34,879 hectares were added to reserves.

Program Activity: Responsible Federal Stewardship

The department continues to take seriously its responsibility to practise sound stewardship in relation to those lands, resources and environments that remain within its control. To this end, the department once again met its 10 percent target for the reduction of Class 1 and 2 contaminated sites liabilities. In addition, FNCIDA came into effect on April 1, 2006, providing First Nations with an opportunity to overcome *Indian Act* obstacles to large commercial and industrial projects on reserves. Regulations for two large commercial and industrial projects will be undertaken in the FNCIDA context: the Fort McKay First Nation oil sands project in Alberta and the Fort William Bowater fibre optimization plant in Ontario.

To promote the sustainable use of land, resources and the environment, the department also continued to focus on building capacity in First Nations communities. The professional training and certification program delivered under the RLEMP pilot is a key example. The first group of certified land managers graduated from the RLEMP training program in March 2007, and these managers are now equipped to perform key land and environmental management activities on behalf of the department.

Program Activity: First Nations Governance over Land, Resources and the Environment

In 2006–2007, there was significant progress toward First Nations governance over land, resources and the environment, with the coming into effect of the FNOGMMA to provide another option for sectoral governance, and the expansion of the FNLMA to include more First Nations. FNOGMMA came into effect on April 1, 2006, and the three pilot First Nations (Whitebear First Nation, Blood Tribe and Siksika First Nation) have since proceeded with their initiative to govern their oil and gas resources and/or monies, and have scheduled community votes for late 2007–2008. As well, six other First Nations became signatories to the Framework Agreement on First Nations Land Management and began assuming control of their land.

Program Activity: Northern Land and Resources

The Northern Land and Resources program activity supports the sustainable development of the North's natural resources by emphasizing improved environmental stewardship, including the clean-up of contaminated sites, expanding the knowledge base for sound decision-making and improving the effectiveness of the northern regulatory environment. One of INAC's key challenges in the North is to support economic development of the vast natural resources of the territories while protecting the sensitive northern environment. Environmental stewardship is all the more important in the context of projected levels of exploration and development activity, and the large number of contaminated sites in the North.

The following are the results for 2006–2007:

The Mackenzie Gas Project Impacts Fund head office location and general Crown corporation board structure were established. Other operational requirements are to be phased in to be consistent with the overall timing of the Mackenzie Gas Project and the decision to construct.

Eight new oil and gas exploration licences were issued in the Mackenzie Valley and Mackenzie Delta in line with Government of Canada policy to win investment and promote jobs in the northern oil and gas sector. Prior to issuance, consultations on environmental matters were held with northern Aboriginal organizations, communities and governments, resulting in support for the initiatives. This support endorsed the terms and conditions established to alert potential bidders of environmental and social sensitivities, in order to encourage development in an economically, socially and environmentally responsible manner.

The Budget 2005 provided $150 million in funding over four years for seven departments and agencies to increase federal capacity and science in support of the environmental assessment and regulatory processes for the Mackenzie Gas Project and induced oil and gas activities. In 2006–2007, INAC received $10.9 million to increase capacity for the environmental assessment process, regulatory obligations, environment and resource management issues, consultation, Federal Project Co-ordination Secretariat, Pipeline Readiness Office and legal requirements. The department also received $1.4 million to undertake science research projects, such as permafrost and terrain conditions across the treeline; pipeline stream crossings; aerial photography and mapping; non-renewable resource assessments for the Protected Areas Strategy; cumulative effects assessment studies and database development, a re-vegetation workshop and the Arctic Council's assessment of oil and gas activities in the Arctic.

Assessment of suspected contaminated sites

In 2006–2007, the Northern Contaminated Sites Program assessed 34 suspected contaminated sites. Little or no contamination was found at 26 of the sites. However, eight sites did contain contamination, which increased the number of confirmed contaminated sites from 63 to 71. It is important to note that the new sites are relatively small in size and nature compared with previously identified contaminated sites.

Percentage reduction in Class 1 and 2 contaminated sites liabilities

The Northern Contaminated Sites Program's liability increased 20 percent as of March 31, 2007, to $1.2 billion, from $997 million the previous fiscal year. The main reason for the rise is the Faro mine in Yukon. Several alternatives to remediate the Faro mine site are being considered and proper accounting practices indicate that the lowest cost alternative is to be reported as the liability. The previous year's lowest cost alternative was eliminated from consideration because it was determined to be inappropriate by the site's independent peer review panel. The next reasonable alternative represented a $235-million increase.

In 2006–2007, the department continued to implement phase one of the Northern Regulatory Improvement Strategy, in response to the 2005 report of the Auditor General, while also setting the stage for phase two. Phase one was comprised of operational changes around issues such as clarification of roles and responsibilities, training and capacity issues, identification of best practices, and clarification of key terms. The department is now developing and implementing phase two in co-operation with northern stakeholders, which will focus on longer-term fundamental improvements to the northern regulatory systems.

Strategic Outcome: The Economy

Program Activities	2006–2007					
	Financial Resources* ($ millions)			Human Resources* (Full-time Equivalents)		
	Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
Economic and Employment Opportunities for Aboriginal People	1.1	2.5	2.5	7.5	9.0	1.5
Access to Capital and Economic Development	683.6	721.0	418.7	343.4	230.6	(112.8)
Community Infrastructure	1,370.8	1,290.5	1,261.3	616.2	597.3	(18.9)
Northern Economy	32.1	40.5	23.1	24.0	15.8	(8.2)

*Includes direct and attributed resources (see explanation on p. 63)

The Economy strategic outcome focuses on increased participation of Aboriginal people and Northerners in the economy. This vision rests on the premise that revenue generated through economic growth increases self-reliance, and improves the lives of community members according to their circumstances and priorities.

To achieve this vision, INAC works toward a progression of immediate, intermediate and end outcomes. Program activities focus on building economic and community foundations and a supportive investment/business climate to enable First Nations, Inuit and northern individuals, communities and businesses to seize economic opportunities.

Federal government support in the North is needed to build economic foundations for Northerners to truly participate in and benefit from economic opportunities. Territorial governments are responsible for province-type roles in economic development, but have limited sources of revenue and little budgetary flexibility. INAC, with its mandate for regional development in the Northwest Territories, Nunavut and Yukon, is positioned to work with northern governments, industry and other key players to increase opportunities and to improve the climate for sustainable economic growth.

In 2006–2007, economic development activities led to the increased employment of community members (immediate outcome) through six new employment initiative partnerships and the issuance of $463 million in contracts to Aboriginal businesses. Through investments in Aboriginal entrepreneurs; loans and business services to Aboriginal and northern small- and medium-sized businesses; and participation in economic development forums, the department promoted investment to create jobs (immediate outcome). All of these activities increase employment (intermediate outcome).

A new Market Housing Fund and additional funding to build and renovate houses helped to meet the pressing need for adequate housing units (immediate outcome) and will help maximize the life cycle of physical assets (intermediate outcomes). Other community infrastructure activities are mitigating health and safety risks (intermediate outcome), including several measures implemented under the Plan of Action for Drinking Water in First Nations Communities and fire protection initiatives.

While there were results and successes in 2006–2007, it is important to note that increasing economic participation is a long-term process. Aboriginal participation in this process is limited because of significant education and workforce experience gaps. With employment growth over the past 10 years, these gaps should narrow in the future and participation in the economy is expected to improve.

RESULTS BY PROGRAM ACTIVITY

Program Activity: Economic and Employment Opportunities for Aboriginal People

The Aboriginal Workforce Participation Initiative (AWPI) and the Procurement Strategy for Aboriginal Business have allowed the department to centre its efforts on the demand side. Successes created even more economic opportunities for Aboriginal businesses and individuals even as they answered the needs of organizations in the public and the private sectors.

Under AWPI, six new partnerships were developed involving one national organization and five regional organizations that offer employment initiatives through business development or direct hiring of Aboriginal people. There are 11 existing partnerships (four new partnerships this year) that are in various stages of development.

The department participates in the Saskatchewan Economic Development Union, a federal/provincial partnership that brings together participating government decision-makers to ensure the co-ordinated and effective delivery of federal and provincial investments in economic development. In 2006–2007, the partners focused on a number of investment and labour market initiatives, including northern road construction, diamond and mineral exploration, oil and gas, housing construction and trades.

- In 2006, Aboriginal businesses were awarded 5,087 federal government contracts worth over $463 million.
- For contracts over $25,000, the number won by Aboriginal businesses in the open market, competing on a level with all businesses engaged in procurement, increased from 78 percent to 81 percent.
- The degree of Aboriginal participation in total government procurement has decreased. However, the total value of contracts procured shows an increase of $122 million over the previous reporting year. The proportion of contracts awarded to Aboriginal businesses without reliance on set-asides increased, indicating a growing capacity for Aboriginal businesses to compete on the open market.

In the Community Support Services Program in the B.C. Region, there were four sector strategy development projects supported in the tourism, forestry, shellfish aquaculture and fisheries sectors in the amount of $125,000; nine research and advocacy projects related to the 2010 Olympic Games: economic opportunities, northern economic opportunities, and provincial and regional employment development opportunities funded in the amount of $195,500.

Program Activity: Access to Capital and Economic Development

This program activity focuses on increased employment, greater utilization and increased value of land and resources under the control of the community, increased access to opportunities from land and resources beyond the control of the community, more investment from the outside and enhanced capacity within the community government to address future economic opportunities.

The Community Economic Development component of the department's Economic Development Program has continued efforts to build capacity within the communities. Available data suggest that progress in this area is positive; however, there is still a lot of work to be done before results have a significant impact. The department's economic development programs funded 328 projects, totalling $22.3 million. An additional $8.2 million in funding came from the provinces and $24.9 million from other sources, such as banks and other financial institutions, and the private sector. During this period, approximately 1,900 full-time, part-time and seasonal jobs were created.

In 2006–2007, $20.5 million in contributions were made directly to Aboriginal entrepreneurs through Aboriginal Business Canada (ABC), which helped 254 clients to establish or acquire a business and 264 clients to expand one. These contributions resulted in a total investment, from all sources, of $72.5 million in Aboriginal business growth and in the Canadian economy overall. In 2005, ABC collected business performance information related to more than

250 establishment and acquisition projects. The data showed that 92.9 percent of these new businesses were still in operation after one year. Although it can be expected that this proportion may decrease in subsequent years, preliminary results show that the vast majority of ABC clients successfully launched their businesses and survived through their critical first year of operation.

ABC also provides support to a network of Aboriginal financial institutions (AFIs), which provide loans and business services to Aboriginal small and medium enterprises. ABC's work has resulted in the development of an Aboriginal-owned and controlled institutional financing infrastructure for developmental lending and related advisory services. The AFI network has become an important pillar of the Aboriginal economic infrastructure. It has successfully introduced market values in Aboriginal efforts to gain access to capital, opening the way for increased access to private sector financing for AFIs as well as for Aboriginal businesses. In 2006–2007, ABC invested $7.6 million in the network. The net loan portfolios of the AFI network have grown 18.6 percent ($176 million) over the five-year period to 2006. The effective interest-rate yield on the AFI gross loan portfolio has remained fairly consistent throughout the years (at 8 to 8.5 percent) despite mainstream prime rate decreases. Since 1985–1986, the AFI network has disbursed $1.2 billion in loans based on total government loan capital support of $199.4 million.

In the B.C. Region, 155 First Nations Economic Development Operational Plans were approved and funded, totalling $6,613,179. In the Community Economic Opportunities Program, 56 projects were funded for a total amount of $6,919,474. These 56 projects generated 825 direct and indirect jobs. Besides INAC funding, an additional $17,554,038 came from other sources for a total of $27,300,372 in economic activity. The overall costs benefit ratio achieved equalled 5.29:1, for every dollar invested by INAC into project funding, $5,29 was the return on investment.

Major Events

The Campbell River Indian Band Cruise Ship Terminal project was completed in 2006 and the first ship arrived in the spring of 2007.

A very successful, inaugural B.C. First Nations Community Economic Development Forum was held in Richmond, B.C., on January 16–18, 2007. The forum, attended by elected representatives from 135 First Nations and 13 Tribal Councils, focused primarily on governance and the role of leadership in economic development.

ABC continues to provide support to 15 external delivery organizations, which are Aboriginal financial and business development institutions, to assist in capacity development. Support for these organizations continues to result in increased business development and entrepreneurship capacity on the part of these organizations, and extends the program reach into more remote areas of Canada, resulting in improved program availability.

Program Activity: Community Infrastructure

This program activity focuses on the acquisition, construction, operation and maintenance of: community facilities, such as administrative offices, roads, bridges and water and sewer systems; educational facilities such as schools, as well as the provision of teacherages, or housing for teachers; and on-reserve housing. It also funds the remediation of contaminated sites on reserves.

Budget 2007 allocated $300 million for the establishment of the First Nations Market Housing Fund. The fund will provide First Nations families and individuals with the means to purchase, build and renovate on-reserve housing.

Furthermore, in 2006–2007, over $130 million of additional funding was allocated to assist First Nations in constructing and renovating housing units, as well as servicing housing lots. This investment was over and above INAC's base allocation for First Nations housing programs. Delivered jointly with the Canada Mortgage and Housing Corporation, this incremental funding made a tangible contribution toward improving the First Nations housing stock. Together, First Nations and the Government of Canada were able to optimize these resources to exceed previously established targets for home renovations and to construct a significant number of new homes to reduce the housing shortage currently facing communities.

Despite progress achieved during the last year, the challenges to provide safe and adequate housing remain. In particular, serious indoor air quality issues continue to impact some

First Nations communities and the need for new units continues as the overall population on reserves increases.

INAC also made considerable progress in improving drinking water quality for First Nations. A critical component of these efforts was the implementation of the Plan of Action for Drinking Water in First Nations Communities, which, in addition to reducing the number of high-risk water treatment systems on reserves, also resulted in the issuance of a *Protocol for Safe Drinking Water in First Nations Communities*, the provision of a 24-hour support hotline to more than 875 water and wastewater operators, and the expansion of on-going training initiatives, such as the Circuit Rider Training Program.

INAC also collaborated with its First Nations partners on various fire protection initiatives. In addition to funding fire protection and fire safety awareness services for First Nations communities, INAC continues to work with the Aboriginal Firefighters Association of Canada (AFAC), the Office of the Fire Marshal (Ontario), the Labour Branch within Human Resources and Social Development Canada (HRSDC), and with regional Aboriginal organizations, to strengthen the delivery of fire protection and awareness programs. In February 2007, Aboriginal and INAC stakeholders held an inaugural national fire protection meeting in Tsuu T'ina, Alberta. Implementation of action items from this and subsequent meetings will enhance the ability of all stakeholders to address First Nations fire safety challenges.

Program Activity: Northern Economy

The Northern Economy program activity supports sustainable economic growth of the territorial economies through investments in innovation and knowledge and regional development programming, advocacy and economic diversification activities, which lead to Northerners participating and benefiting from resource development.

Under Strategic Investments in Northern Economic Development (SINED), a total of $19.6 million was invested in 2006–2007 for 103 projects across the North, in priority areas including geoscience, tourism, and support for small and medium-sized enterprises.

SINED is a set of three funding programs, which include the Targeted Investment Program (TIP), the Innovation and Knowledge Fund (I&K) and, in the N.W.T. only, the Partnership Advisory Forums (PAF). Under TIP, multi-year investment plans tailored to the opportunities and priorities in each territory were approved and collaborative oversight processes involving northern and federal partners were put in place in all three territories. Seventy projects received a total of $18.7 million in funds. I&K supported 28 projects with total funding at $877,000, while PAF funded five projects totalling $81,000, in the Northwest Territories.

In 2006–2007, INAC's support of engineering and environmental studies for the transmission of Taltson hydro-power to the Slave Geological Province holds promise of cutting energy costs to stimulate development in the N.W.T.'s chief mining region, as well as in Aboriginal communities along the route. At the same time, the project could replace enough diesel consumption to reduce N.W.T. greenhouse gas emissions by 240,000 tonnes per year. Other supported projects include the addition in Nunavut of two new community access Internet sites a year, which will increase Internet usage for residents of remote communities and a pilot project to launch Nunavut's first locally developed bilingual (Inuktitut, English) distance learning course. In Yukon, raising the capitalization of Dana Naye Ventures, a successful developmental lender, is helping to generate more small business activity across the territory. The department also partnered in a pan-territorial marketing campaign to increase interest in the Whitehorse Canada Winter Games, which will heighten Canada-wide awareness of the three territories as places to visit and invest.

In addition to management of SINED funding, the department also continued to administer Infrastructure Canada programs, and contributes to their reporting on performance under the various infrastructure programs being carried out in the North.

Strategic Outcome: The Office of the Federal Interlocutor

	2006–2007					
	Financial Resources* ($ millions)			Human Resources* (Full-time Equivalents)		
Program Activity	Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
Co-operative Relationships	40.8	41.1	39.6	22.0	47.9	25.9

*Includes direct and attributed resources (see explanation on p. 63)

The strategic outcome for the **Office of the Federal Interlocutor** is promoting collaborative engagement of government and stakeholders, resulting in demonstrable improvement in socio-economic conditions of Métis, non-Status Indians and urban Aboriginal people, and the management of Métis Aboriginal rights issues.

Measuring Outcomes

Over the past year, the Office of the Federal Interlocutor (OFI) worked with its partners on a number of priorities: health, education and training; women, children and families; justice and public safety; economic development; housing and access to services; electoral and financial accountability; and the governance capabilities of Aboriginal organizations.

To achieve its goals, the OFI worked toward a progression on immediate, intermediate and end outcomes.

Investments from the OFI to partner organizations have contributed to the creation of an aerospace, manufacturing and construction training centre, the B.C. Ministry for Métis Children and Family Services, and community-chosen programs like counselling services and literacy training. These partnerships have successfully rendered practical service delivery solutions and arrangements to high-priority community issues (immediate outcome).

The OFI actively fostered organizational governance that is responsive to community needs in its accountability to constituents and various levels of government (immediate outcome). Examples include the development of 10 tripartite agreements that enable Métis and off-reserve Aboriginal organizations to engage with provincial and federal governments, and the development of annual work plans for Métis, non-Status Indian and urban Aboriginal organizations to support joint priorities.

Working together on a range of priority issues has improved relationships and co-operation between the provinces and other partners and Métis, non-Status Indian and urban Aboriginal people. One priority issue is accredited membership systems in each region (immediate outcome), to which the OFI invested significant resources this past year, including support for Métis organizations engaged in this work.

RESULTS BY PROGRAM ACTIVITY

Program Activity: Co-operative Relationships

In 2006–2007, the OFI contributed $850,000 to two national Métis and non-Status Indian (MNSI) organizations that enable them to participate in discussions with the government on their priority issues. It also invested $1.7 million to support 10 tripartite negotiating processes in British Columbia, Alberta, Manitoba, Ontario, Nova Scotia and Prince Edward Island with the provincial or regional MNSI organizations. These processes are cost-shared with the relevant provincial governments. The tripartite negotiation processes enable these MNSI organizations to engage with the federal and provincial governments through the negotiation of practical measures in order to: build effective partnerships; strengthen organizational governance capacity; support their service delivery institutions and seek better access to federal and provincial programs and services.

In addition, through the Urban Aboriginal Strategy (UAS), the OFI invested in addressing socio-economic conditions that many Aboriginal people face in Canadian cities. Building on efforts to work with other federal departments, this initiative created partnering opportunities among all stakeholders. To illustrate, the Office of the Federal Interlocutor partnered with Canadian Heritage to to provide assistance to a multi-service youth at-risk resource centre in Winnipeg to provide services to over 11,000 Aboriginal youth in Winnipeg. Another example, is a collaborative initiative between the Office of the Federal Interlocutor, the Department of Human Resources and Social Development to help alleviate child poverty in Thunder Bay by providing after-school programs for Aboriginal children. These are only two examples of the hundreds of projects through the Urban Aboriginal Strategy that were put in place to support urban Aboriginal people as a result of collaboration with a variety of stakeholders.

OFI transferred $13.1 million in program funds to Western Economic Diversification (WD) and Service Canada. Urban Aboriginal communities, in co-operation with federal departments, provincial and municipal governments and the private sector, use these funds to develop and implement projects according to local priorities.

Evaluation and subsequent reviews confirmed that the UAS is effective in three particular areas: partnerships, co-ordination and leveraging. As a result of funding provided by the Office of the Federal Interlocutor, additional funding was provided by other sources (including other federal departments, other governments, local Aboriginal organizations, the private sector) to support activities that benefit Aboriginal people living in cities. In fact, between April 1, 2003 to March 31, 2007, the Government invested $33,318,584 through the Urban Aboriginal Strategy and leveraged an additional $11,298,551 from other federal departments and an additional $29,058,968 from partners outside the federal arena. Regarding co-ordination, innovative horizontal mechanisms to reduce the reporting burden on Aboriginal proponents were cited as a promising practice. The following are key observations:

- Each UAS pilot city has required differentiated, targeted and flexible approaches based on the city's circumstances and its Aboriginal population.
- Horizontal co-ordination is important but difficult to achieve. Evidence suggests that greater collaboration among federal departments leads to better results.
- The success of projects receiving and attracting financial support from other partners has been enhanced through intergovernmental and private-sector collaborative funding structures.

Finally, the Federal Interlocutor continued to engage with provincial governments and Métis organizations in order to develop co-operative approaches to the management of Métis Aboriginal rights recognized in the Supreme Court of Canada's *Powley* decision. The OFI led and co-ordinated the efforts of core departments (INAC, the Department of Justice Canada, the Royal Canadian Mounted Police, Environment Canada/Canadian Wildlife Services, Parks Canada Agency, and the Department of Fisheries and Oceans) in working with Métis organizations on various initiatives to respond to the decision. In 2006–2007, OFI invested $12 million in this "whole of government" approach which emphasized: collaboration and co-operation with provincial governments on harvesting management; historical and statistical research and legal analysis and opinions to further clarify the possible scope of Métis Aboriginal rights; support to federal departments in making informed resource and consultation decisions; and, managing, in a coordinated fashion, on-the-ground assertions of Métis Aboriginal rights through the training of resource enforcement officers.

In addition, in accordance with the Supreme Court of Canada's decision, OFI also continued its support of Métis organizations in working towards the solidification and advancement of membership systems and the identification of Métis harvesters.

In co-operation with provincial governments, discussions were held with Aboriginal organizations on ways to promote practical co-operation and increase opportunities for economic development.

Canadian Polar Commission

Canadian Polar Commission

	2006–2007					
	Financial Resources ($ millions)			Human Resources (Full-time Equivalents)		
Program Activity	Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
Research Facilitation and Communication	1.0	1.0	1.0	5	5	0

In 2006–2007, board members and staff of the **Canadian Polar Commission** met and talked with many organizations, scientists and northern residents, to learn about the latest issues and concerns affecting the research community and to communicate their views to policy makers. The Commission has also discussed polar science issues with politicians, government representatives, ambassadors, and national and international science advisors to ensure that Canadian scientists are part of the international research effort, and that Canadians are aware of international polar issues and benefit from polar research.

The Commission has participated in committees and established links with research institutes, helping to get their project information to the public. Among these projects is the proposed Yukon Cold Climate Innovation Research Centre (http://www.yukoncoldtech.com/), a concept for a centre of excellence for research on construction and infrastructure in Yukon dedicated to the development, commercialization and export of sustainable cold-climate technologies and related solutions for subarctic regions around the world. The Commission sees focused centres of this kind as a highly effective way to develop new Arctic research infrastructure for the 21st century. The Commission has continued working on federal committees toward increasing the profile of polar research and to better co-ordinate existing research initiatives.

The Commission again worked with the Association of Canadian Universities for Northern Studies to sponsor a northern research scholarship. This year's recipient was Sonia Wesche (http://www.swaac.ca/Grad_Award_2007_Wesche.htm), a PhD student at Wilfrid Laurier University in Waterloo, Ontario. Her thesis deals with the capacity of Dene-Métis communities to adapt to environmental and socio-cultural change.

The online Polar Science Forum, (http://www.polarcom.gc.ca/english/index.html), which helps researchers stay abreast of new developments, exchange ideas, and to engage in online discussions and collaborations, expanded in 2006–2007. The Forum attracted more than 100 new subscribers, bringing membership to over 1,450.

Meridian, the Polar Commission's Arctic science publication, and the *Newsletter of the Canadian Antarctic Research Network* (both are available at http://www.polarcom.gc.ca/english/publications.html), circulate current information on polar research to readers in Canada and abroad. In 2006–2007, the Commission published two editions of each. Both publications appear in print and on the Commission's Web site.

As Canada's representative to the Scientific Committee on Antarctic Research (http://www.scar.org/) and the International Arctic Science Committee (http://www.iasc.se/), the Polar Commission works to ensure that Canadians are aware of and participate in international research initiatives and projects. Work continued in 2006–2007 on two major international Arctic research planning initiatives: the Second International Conference on Arctic Research Planning (ICARP II, http://www.icarp.dk/) went into implementation mode; and International Polar Year 2007–2008 (IPY, http://www.ipy.org/) was launched in Paris on March 1, 2007, with 228 international projects endorsed. The Commission represented Canada at the Open Conference and 29th meeting of Scientific Committee on Arctic (SCAR) in Hobart, Australia, in July 2006.

The Commission also worked on its two main priorities, as established by the board: supporting, promoting and advising on IPY activities and objectives; and studying, co-ordinating and advocating for a polar science policy for Canada.

In the summer of 2006, the Commission released the outreach and communications plan developed at the IPY Outreach and Communications workshop, held jointly by the Commission, the IPY National Committee and Secretariat, and the federal IPY program office in March 2006. In spring 2006, following an internal evaluation process, the Polar Commission was asked to reinvigorate and streamline the IPY Steering Committee and launch a call for nominations for a new Committee. The new Canadian National Committee for IPY was established in November.

Equipping Canada with a polar science policy to provide focus and direction, account for current and probable future information needs, identify research priorities, and provide for adequate funding and infrastructure is both a long-term and a very expensive undertaking. The Commission's limited budget required the project to be broken down into phases over several years. As a first step, the Commission is undertaking a project to evaluate the current state of Arctic logistics and infrastructure. This is critical to planning for future research needs in the Canadian Arctic. The Commission held a workshop of operators and managers of the major northern field stations, is developing a detailed and updated online data resource to outline what each present field station offers, and is bringing together a group of researchers committed to writing the report. Further workshops are planned.

Each year the ability of the Commission to fulfill its mandate erodes further as costs rise. Furthermore, demands on the Commission — from within Canada and internationally — are increasing annually. While the Commission's mandate is broad, its ability to act is limited by its annual budget, which is smaller than at inception in 1991.

Indian Specific Claims Commission

Indian Specific Claims Commission

	2006–2007					
	Financial Resources ($ millions)			Human Resources (Full-time Equivalents)		
Program Activity	Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
Indian Specific Claims Commission	5.6	6.8	6.5	49	45	(4)

Since its inception in 1991, the **Indian Specific Claims Commission** (ISCC) has gained credibility as an independent, neutral body that conducts public inquiries into specific claims disputes between First Nations and the Government of Canada. As well as conducting formal inquiries, the Commission, at the request of either party (the government and the First Nation) and with the consent of both, provides or arranges for such mediation and facilitation services that it believes may assist them to reach an agreement with respect to any matter relating to an Indian specific claim.

The ISCC also provides information to the public concerning its activities and results, issues special reports, and from time to time is called upon to conduct speaking engagements.

The Commission typically completes its work on a claim, including issuing its final report, two to five years after receipt of the initial request for an inquiry. The complexity of a claim influences the duration of an inquiry. In 2006–2007, the ISCC conducted 38 ongoing inquiries, seven of which were completed (with reports on five of them to be issued in 2007–2008), and released reports on three inquiries completed in previous reporting periods. The Commission also worked on 26 mediation efforts.

RESULTS OF THIS PROGRAM ACTIVITY

- In 2006–2007, the ISCC worked on 38 ongoing inquiries and 26 mediation efforts.
- From April 1, 2006 to March 31, 2007, the Commission completed seven inquiries: the Blood Tribe/Kainaiwa, Big Claim; the Cowessess First Nation, 1907 surrender, Phase II; the James Smith Cree Nation, treaty land entitlement; the Kluane First Nation, Kluane Game Sanctuary and Kluane National Park Reserve creation; the Opaskwayak Cree Nation, streets and lanes; the Paul Indian Band, Kapasiwin townsite; and the Sakimay First Nation, Treaty land entitlement. It released reports on two of these completed inquiries; the remaining five will be issued in the next fiscal year.
- The Commission released reports on three inquiries completed in previous reporting periods: the Blueberry River First Nation and Doig River First Nation: Highway right of way Indian Reserve (IR) 172 claim; the Taku River Tlingit First Nation, Wenah specific claim; and the Williams Lake Indian Band, Village site claim. These and all of the Commission's reports can be found on the ISCC Web site.
- ISCC continued to implement measures to ensure excellence of operations and expand its body of knowledge about specific claims.

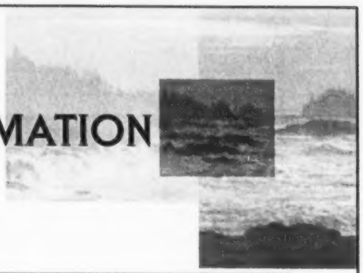
Areas for improvement and lessons learned

Since its inception in 1991, the ISCC has gained credibility as an independent, neutral body that conducts public inquiries into specific claims disputes between First Nations and the Government of Canada. To be effective, the ISCC, in all of its dealings, must be perceived as independent, neutral and objective by both First Nations and the government.

A unique and important aspect of the inquiry process is a visit by Commissioners and key staff to the First Nation community to hear directly from Elders and community members with regard to the claim. The process emphasizes principles of fairness, equity and justice, which promote reconciliation and healing between First Nations and non-First Nations Canadians. Face-to-face meetings and careful consideration of oral evidence is valuable to the claims resolution process.

The Commission provides broad mediation and facilitation services at the request of both the First Nation and the Government of Canada. Together with the mediator, the parties decide how the mediation process will be conducted. This method ensures the process fits the unique circumstances of each particular negotiation. These mediation services may be provided at any stage of the claims process. In a number of cases, the Commission has provided mediation/facilitation services to the specific claims process prior to the acceptance or rejection of the claim. The experience of the Commission has been that the use of mediation/facilitation services in those instances has proven to be a useful tool to support the resolution of specific claims.

SECTION III – SUPPLEMENTARY INFORMATION



Organizational Information

Minister
Deputy Minister and Associate Deputy Ministers

Strategic Outcomes	Program Activities
The Government *Lead Assistant Deputy Ministers:* Claims and Indian Government (South) Northern Affairs (North)	**Governance and Institutions of Government** *Co-Lead Director General:* Lands and Trust Services and Claims and Indian Government
	Co-operative Relationships *Lead Director General:* Claims and Indian Government
	Northern Governance *Lead Director General:* Northern Affairs
The People *Lead Assistant Deputy Ministers:* Socio-economic Policy and Regional Operations (South) Northern Affairs (North)	**Managing Individual Affairs** *Lead Director General:* Lands and Trust Services
	Education *Lead Director General:* Socio-economic Policy and Regional Operations
	Social Development *Lead Director General:* Socio-economic Policy and Regional Operations
	Healthy Northern Communities *Lead Director General:* Northern Affairs
The Land *Lead Assistant Deputy Ministers:* Lands and Trust Services (South) Northern Affairs (North)	**Certainty of Title and Access to Land and Resources** *Lead Director General:* Claims and Indian Government
	Responsible Federal Stewardship *Lead Director General:* Lands and Trust Services
	First Nations Governance over Land, Resources and the Environment *Lead Director General:* Lands and Trust Services
	Northern Land and Resources *Lead Director General:* Northern Affairs
The Economy *Lead Assistant Deputy Ministers:* Socio-economic Policy and Regional Operations (South) Northern Affairs (North)	**Economic and Employment Opportunities for Aboriginal People** *Lead Director General:* Socio-economic Policy and Regional Operations
	Access to Capital and Economic Development *Lead Director General:* Socio-economic Policy and Regional Operations
	Community Infrastructure *Lead Director General:* Socio-economic Policy and Regional Operations
	Northern Economy *Lead Director General:* Northern Affairs
The Office of the Federal Interlocutor *Lead Assistant Deputy Minister:* Office of the Federal Interlocutor	**Office of the Federal Interlocutor** *Lead Director General:* Office of the Federal Interlocutor

Departmental Management and Administration

Program Operations
Policy and Strategic Direction Senior Assistant Deputy Minister;
Socio-economic Policy and Regional Operations Senior/Associate Assistant Deputy Ministers;
Claims and Indian Government Assistant Deputy Minister;
Lands and Trust Services Assistant Deputy Minister;
Corporate Services Assistant Deputy Minister;
Northern Affairs Assistant Deputy Minister

Regional Operations
Lead Senior Assistant Deputy Minister:
Socio-economic Policy and Regional Operations
Regional Directors General (South)
British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and Atlantic

Lead Assistant Deputy Minister: Northern Affairs
Regional Directors General (North)
Yukon, Northwest Territories, Nunavut

Financial Tables

Table 1: Comparison of Planned to Actual Spending (including FTEs)

			2006–2007			
($ millions)	Actual 2004–2005	Actual 2005–2006	Main Estimates	Planned Spending	Total Authorities	Actual Spending
INDIAN AND NORTHERN AFFAIRS CANADA						
Governance and Institutions of Government	530.7	558.6	613.6	641.8	667.0	645.1
Co-operative Relationships	132.1	128.5	159.1	169.2	151.4	139.5
Northern Governance	10.6	8.7	11.3	11.3	13.2	8.1
Managing Individual Affairs	18.0	20.0	15.8	15.8	17.1	17.1
Education	1,580.2	1,619.2	1,608.4	1,656.5	1,686.4	1,679.8
Social Development	1,300.4	1,352.5	1,341.9	1,354.7	1,432.2	1,425.7
Healthy Northern Communities	91.8	97.3	86.7	106.4	96.5	96.4
Clarity of Title to Land and Resources	16.2	27.1	11.2	11.3	13.1	10.9
Responsible Federal Stewardship	17.8	22.9	48.7	57.3	120.4	120.4
First Nations Governance over Land, Resources and the Environment	59.4	87.9	46.0	46.0	24.1	15.4
Northern Land and Resources	149.8	164.8	174.1	174.0	188.5	182.7
Economic and Employment Opportunities for Aboriginal People	71.0	67.9	1.1	1.1	2.5	2.5
Access to Capital and Economic Development	465.1	501.9	693.2	683.6	672.5	418.7
Community Infrastructure	1,098.8	1,114.3	1,305.6	1,370.8	1,290.5	1,261.3
Northern Economy	32.7	15.6	32.1	32.1	28.6	23.1
Co-operative Relations	27.4	37.0	40.8	40.8	41.1	39.6
Sub-Total Budgetary	5,602.2	5,824.2	6,189.7	6,372.6	6,445.0	6,086.2
Access to Capital and Economic Development	—	—	—	—	48.5	—
Northern Economy	—	—	—	—	11.9	—
Co-operative Relationships	51.9	50.7	80.8	80.8	89.3	44.8
Sub-Total Non-Budgetary	51.8	50.7	80.8	80.8	149.7	44.8
Total Budgetary + Non-Budgetary	5,654.1	5,874.9	6,270.5	6,453.4	6,594.7	6,131.1
Less: Non-Respendable Revenue	338.2	299.7	187.3	187.3	248.3	248.3
Plus: Cost of services received without charge	63.5	68.7	68.3	68.3	72.4	72.4
Total Departmental Spending	5,379.3	5,643.9	6,151.5	6,334.4	6,418.8	5,955.2
Full-Time Equivalents	3,940	3,967	4,269	4,276	4,063	4,063
CANADIAN POLAR COMMISSION						
Research Facilitation and Communication	1.0	1.0	1.0	1.0	1.0	1.0
Total	1.0	1.0	1.0	1.0	1.0	1.0
Less: Non-Respendable Revenue	—	—	—	—	—	—
Plus: Cost of services received without charge	—	—	—	—	—	—
Total Spending	1.0	1.0	1.0	1.0	1.0	1.0
Full-Time Equivalents	5	5	5	5	5	5
INDIAN SPECIFIC CLAIMS COMMISSION						
Indian Specific Claims Commission	n/a	6.9	5.6	5.6	6.8	6.5
Total	n/a	6.9	5.6	5.6	6.8	6.5
Less: Non-Respendable Revenue	n/a	—	n/a	—	n/a	—
Plus: Cost of services received without charge	n/a	0.7	n/a	0.6	n/a	0.7
Total Spending	n/a	7.6	n/a	6.2	n/a	7.2
Full-Time Equivalents	45	46	49	49	45	45

Due to rounding, figures may not add to totals shown.

Table 2: Resources by Program Activity

	2006–2007 ($ millions)						
	Budgetary					Non-Budgetary	
Program Activity	**Operating**	**Capital**	**Grants**	**Contributions and Other Transfer Payments**	**Gross/Net**	**Loans, Investments and Advances**	**Total**
INDIAN AND NORTHERN AFFAIRS CANADA							
Governance and Institutions of Government							
Main Estimates	43.1	3.8	354.6	212.1	613.6	—	613.6
Planned Spending	41.5	3.8	355.5	241.1	641.8	—	641.8
Total Authorities	65.9	0.4	270.5	330.1	667.0	—	667.0
Actual Spending	44.5	—	270.5	330.1	645.1	—	645.1
Co-operative Relationships							
Main Estimates	72.3	12.2	5.6	69.0	159.1	80.8	239.9
Planned Spending	72.1	12.2	5.6	79.2	169.2	80.8	250.0
Total Authorities	67.7	12.1	5.6	66.0	151.4	89.3	240.8
Actual Spending	67.0	0.8	5.6	66.0	139.5	44.8	184.3
Northern Governance							
Main Estimates	11.1	—	—	0.2	11.3	—	11.3
Planned Spending	11.1	—	—	0.2	11.3	—	11.3
Total Authorities	11.1	—	—	2.0	13.2	—	13.2
Actual Spending	6.0	—	—	2.0	8.1	—	8.1
Managing Individual Affairs							
Main Estimates	8.1	—	1.7	6.0	15.8	—	15.8
Planned Spending	8.1	—	1.7	6.0	15.8	—	15.8
Total Authorities	9.6	—	1.8	5.7	17.1	—	17.1
Actual Spending	9.6	—	1.8	5.7	17.1	—	17.1
Education							
Main Estimates	94.3	—	34.1	1,480.1	1,608.4	—	1,608.4
Planned Spending	93.0	—	34.1	1,529.4	1,656.5	—	1,656.5
Total Authorities	119.6	0.1	34.1	1,532.6	1,686.4	—	1,686.4
Actual Spending	115.1	—	32.1	1,532.6	1,679.8	—	1,679.8
Social Development							
Main Estimates	70.8	—	10.0	1,261.1	1,341.9	—	1,341.9
Planned Spending	69.8	—	10.0	1,274.8	1,354.7	—	1,354.7
Total Authorities	91.3	—	10.0	1,330.8	1,432.2	—	1,432.2
Actual Spending	86.2	—	8.8	1,330.8	1,425.7	—	1,425.7
Healthy Northern Communities							
Main Estimates	33.5	—	44.6	8.6	86.7	—	86.7
Planned Spending	55.2	—	44.6	6.6	106.4	—	106.4
Total Authorities	47.7	—	44.6	4.2	96.5	—	96.5
Actual Spending	47.6	—	44.6	4.2	96.4	—	96.4
Clarity of Title to Land and Resources							
Main Estimates	6.0	1.7	3.0	0.5	11.2	—	11.2
Planned Spending	6.0	1.7	3.0	0.6	11.3	—	11.3
Total Authorities	7.4	1.7	3.0	1.0	13.1	—	13.1
Actual Spending	7.4	1.2	1.3	1.0	10.9	—	10.9

2006–2007 ($ millions)

	Budgetary					Non-Budgetary	
Program Activity	Operating	Capital	Grants	Contributions and Other Transfer Payments	Gross/Net	Loans, Investments and Advances	Total
Responsible Federal Stewardship							
Main Estimates	18.5	—	—	30.2	48.7	—	48.7
Planned Spending	20.6	—	—	36.7	57.3	—	57.3
Total Authorities	33.5	—	—	86.8	120.4	—	120.4
Actual Spending	33.5	—	—	86.8	120.4	—	120.4
First Nations Governance over Land, Resources and the Environment							
Main Estimates	20.3	—	—	25.7	46.0	—	46.0
Planned Spending	20.2	—	—	25.7	46.0	—	46.0
Total Authorities	14.6	—	—	9.5	24.1	—	24.1
Actual Spending	5.9	—	—	9.5	15.4	—	15.4
Northern Land and Resources							
Main Estimates	158.6	—	1.1	14.5	174.1	—	174.1
Planned Spending	158.5	—	1.1	14.5	174.0	—	174.0
Total Authorities	159.5	—	1.1	27.9	188.5	—	188.5
Actual Spending	153.7	—	1.1	27.9	182.7	—	182.7
Economic and Employment Opportunities for Aboriginal People							
Main Estimates	1.1	—	—	—	1.1	—	1.1
Planned Spending	1.1	—	—	—	1.1	—	1.1
Total Authorities	1.6	—	—	0.9	2.5	—	2.5
Actual Spending	1.6	—	—	0.9	2.5	—	2.5
Access to Capital and Economic Development							
Main Estimates	47.5	—	512.8	132.9	693.2	—	693.2
Planned Spending	53.2	—	512.8	117.6	683.6	—	683.6
Total Authorities	61.1	—	479.1	132.3	672.5	48.5	721.0
Actual Spending	53.0	—	242.1	123.6	418.7	—	418.7
Community Infrastructure							
Main Estimates	98.2	11.0	80.2	1,116.2	1,305.6	—	1,305.6
Planned Spending	97.3	11.0	80.2	1,182.4	1,370.8	—	1,370.8
Total Authorities	127.9	11.0	81.4	1,070.3	1,290.5	—	1,290.5
Actual Spending	104.9	5.6	80.6	1,070.3	1,261.3	—	1,261.3
Northern Economy							
Main Estimates	8.9	—	—	23.2	32.1	—	32.1
Planned Spending	8.9	—	—	23.2	32.1	—	32.1
Total Authorities	8.9	—	—	19.7	28.6	11.9	40.5
Actual Spending	3.5	—	—	19.7	23.1	—	23.1
Co-operative Relations							
Main Estimates	9.8	—	—	31.0	40.8	—	40.8
Planned Spending	9.8	—	—	31.0	40.8	—	40.8
Total Authorities	10.5	—	—	30.7	41.1	—	41.1
Actual Spending	10.5	—	—	29.2	39.6	—	39.6
Total (INAC)							
Main Estimates	702.2	28.7	1,047.6	4,411.2	6,189.7	80.8	6,270.5
Planned Spending	726.5	28.7	1,048.5	4,568.9	6,372.6	80.8	6,453.4
Total Authorities	838.0	25.3	931.2	4,650.5	6,445.0	149.7	6,594.7
Actual Spending	749.9	7.6	688.5	4,640.2	6,086.2	44.8	6,131.1

	2006–2007 ($ millions)						
	Budgetary					Non-Budgetary	
Program Activity	Operating	Capital	Grants	Contributions and Other Transfer Payments	Gross/Net	Loans, Investments and Advances	Total
CANADIAN POLAR COMMISSION							
Research Facilitation and Communication							
Main Estimates	1.0	—	—	—	1.0	—	1.0
Planned Spending	1.0	—	—	—	1.0	—	1.0
Total Authorities	1.0	—	—	—	1.0	—	1.0
Actual Spending	1.0	—	—	—	1.0	—	1.0
INDIAN SPECIFIC CLAIMS COMMISSION							
Conduct inquiries and provide mediation services							
Main Estimates	5.6	—	—	—	5.6	—	5.6
Planned Spending	5.6	—	—	—	5.6	—	5.6
Total Authorities	6.8	—	—	—	6.8	—	6.8
Actual Spending	6.5	—	—	—	6.5	—	6.5

Due to rounding, figures may not add to totals shown.

Table 3: Voted and Statutory Items

Vote or Statutory Item		2006–2007 ($ millions)			
		Main Estimates	Planned Spending	Total Authorities	Actual Spending
INDIAN AND NORTHERN AFFAIRS CANADA					
1	Operating expenditures	609.4	620.3	702.8	**649.9**
5	Capital expenditures	28.7	28.7	25.3	**7.6**
10	Grants and contributions	5,252.8	5,411.3	5,375.7	**5,124.1**
15	Payments to Canada Post Corporation	27.6	40.9	40.9	**39.3**
20	Office of the Federal Interlocutor for Métis and non-Status Indians — Operating expenditures	7.2	7.2	7.8	**7.4**
25	Office of the Federal Interlocutor for Métis and non-Status Indians — Contributions	31.0	31.0	30.7	**29.2**
(S)	Minister of Indian Affairs and Northern Development — Salary and motor car allowance	0.1	0.1	0.1	**0.1**
(S)	Grassy Narrows and Islington Bands Mercury Disability Board	—	—	—	**—**
(S)	Liabilities in respect of loan guarantees made to Indians for Housing and Economic Development	2.0	2.0	0.2	**0.2**
(S)	Indian Annuities Treaty payments	1.4	1.4	1.8	**1.8**
(S)	Grants to Aboriginal organizations designated to receive claim settlement payments pursuant to Comprehensive Land Claim Settlement Acts	137.6	137.6	137.6	**137.6**
(S)	Grant to the Nunatsiavut Government for the implementation of the Labrador Inuit Land Claims Agreement pursuant to the *Labrador Inuit Land Claims Agreement Act*	36.0	36.0	35.9	**35.9**
(S)	Payments to comprehensive claim beneficiaries in compensation for resource royalties	1.5	1.5	1.9	**1.9**
(S)	Contributions to employee benefit plans	54.4	54.5	48.9	**48.9**
(S)	Payment from the Consolidated Revenue Fund of guaranteed loans issued out of the Indian economic development account	—	—	31.8	**0.1**
(S)	Court awards	—	—	1.6	**1.6**
(S)	Refunds of amounts credited to revenues in previous years	—	—	0.5	**0.5**
(S)	Spending of proceeds from the disposal of surplus Crown assets	—	—	1.4	**—**
	Total budgetary	6,189.7	6,372.6	6,445.0	**6,086.2**
L20	Loans and guarantees of loans through the Indian economic development account	—	—	48.5	**—**
L30	Loans to native claimants	31.1	31.1	39.6	**16.5**
L35	Loans to First Nations in British Columbia for the purpose of supporting their participation in the British Columbia Treaty Commission Process	49.7	49.7	49.7	**28.3**
L40	Loans to the Government of the Yukon Territory for making second mortgage loans to territory residents	—	—	0.3	**—**
L55	Provision of Inuit loan fund for loans to Inuit to promote commercial activities	—	—	6.6	**—**
L81	Loans for the establishment or expansion of small businesses in the Yukon Territory	—	—	5.0	**—**
	Total non-budgetary	80.8	80.8	149.7	**44.8**
	Total Department	6,270.5	6,453.4	6,594.7	**6,131.1**

Vote or Statutory Item		2006–2007 ($ millions)			
		Main Estimates	Planned Spending	Total Authorities	Actual Spending
CANADIAN POLAR COMMISSION					
40	Program expenditures	0.9	0.9	0.9	**0.9**
(S)	Contributions to employee benefit plans	0.1	0.1	0.1	**0.1**
	Total Commission	1.0	1.0	1.0	**1.0**
INDIAN SPECIFIC CLAIMS COMMISSION					
45	Program expenditures	5.0	5.0	6.2	**5.9**
(S)	Contributions to employee benefit plans	0.5	0.5	0.6	**0.6**
	Total Commission	5.5	5.5	6.8	**6.5**

Due to rounding, figures may not add to totals shown.

Table 4: Services Received Without Charge

($ millions)	Indian and Northern Affairs Canada	Canadian Polar Commission	Indian Specific Claims Commission
Accommodation provided by Public Works and Government Services Canada	26.8	—	0.4
Contributions covering employers' share of employees' insurance premiums and expenditures paid by TBS (excluding revolving funds)	24.2	—	0.2
Workman's compensation coverage provided by Human Resources and Social Development Canada	0.6	—	—
Salary and associated expenditures of legal services provided by Justice Canada	20.7	—	—
Total 2006–2007 Services Received Without Charge	**72.4**	**—**	**0.6**

Due to rounding, figures may not add to totals shown.

Table 5: Loans, Investments and Advances (Non-Budgetary)

			2006–2007			
($ millions)	**Actual 2004–2005**	**Actual 2005–2006**	**Main Estimates**	**Planned Spending**	**Total Authorities**	**Actual Spending**
INDIAN AND NORTHERN AFFAIRS CANADA						
Co-operative Relationships						
Loans to native claimants	23.1	22.0	31.1	31.1	39.6	**16.5**
Loans to First Nations in British Columbia for the purpose of supporting First Nations' participation in the British Columbia Treaty Commission process	28.8	28.7	49.7	49.7	49.7	**28.3**
Access to Capital and Economic Development						
Loans and guarantees of loans through the Indian Economic Development Account	—	—	—	—	48.5	—
Northern Economy						
Loans to the Government of the Yukon Territory for making second mortgage loans to territory residents	—	—	—	—	0.3	—
Provision of Inuit Loan Fund for loans to Inuit to promote commercial activities (net)	—	—	—	—	6.6	—
Loans for the establishment or expansion of small businesses in the Yukon Territory through the Yukon Territory Small Business Loans Account (net)	—	—	—	—	5.0	—
Total	51.8	50.7	80.8	80.8	149.7	**44.8**
CANADIAN POLAR COMMISSION						
N/A	—	—	—	—	—	—
INDIAN SPECIFIC CLAIMS COMMISSION						
N/A	—	—	—	—	—	—

Due to rounding, figures may not add to totals shown.

Table 6: Sources of Non-Respendable Revenue

			2006–2007			
($ millions)	Actual 2004–2005	Actual 2005–2006	Main Estimates	Planned Revenue	Total Authorities	Actual Revenue
INDIAN AND NORTHERN AFFAIRS CANADA						
Governance and Institutions of Government						
Refunds of previous years' expenditures		2.3	0.7	0.7	6.8	**6.8**
Miscellaneous revenues		—	—	—	0.1	**0.1**
Co-operative Relationships						
Refunds of previous years' expenditures		1.0	0.3	0.3	0.9	**0.9**
Return on investments		9.4	7.1	7.1	10.3	**10.3**
Miscellaneous revenues		—	—	—	0.1	**0.1**
Education						
Refund of previous years' expenditures		3.0	2.5	2.5	5.9	**5.9**
Miscellaneous revenues		—	—	—	0.2	**0.2**
Social Development						
Refunds of previous years' expenditures		6.1	5.0	5.0	9.2	**9.2**
Miscellaneous revenues		—	—	—	0.1	**0.1**
Healthy Northern Communities						
Refund of previous years' expenditures		0.1	—	—	0.2	**0.2**
Clarity of Title to Land and Resources						
Refund of previous years' expenditures		0.2	—	—	—	**—**
Responsible Federal Stewardship						
Refund of previous years' expenditures		0.2	—	—	0.5	**0.5**
First Nations Governance over Land, Resources and the Environment						
Refund of previous years' expenditures		2.2	—	—	0.1	**0.1**
Other non-tax revenues		0.1	—	—	—	**—**
Northern Land and Resources						
Return on investments:						
— Norman Wells Project profits		131.9	98.0	98.0	123.3	**123.3**
— Other		—	0.7	0.7	—	**—**
Refunds of previous years' expenditures		0.2	1.2	1.2	0.5	**0.5**
Adjustments of Prior Year's Payables at Year End		0.3	1.0	1.0	0.2	**0.2**
Canada mining		77.9	39.5	39.5	18.7	**18.7**
Quarrying royalties		0.1	—	—	0.1	**0.1**
Oil and gas royalties		14.5	16.0	16.0	15.4	**15.4**
Land, building and machinery rentals		0.2	—	—	0.1	**0.1**
Rights and Privileges		—	3.9	3.9	—	**—**
Other non-tax revenues		29.5	2.7	2.7	32.0	**32.0**
Economic and Employment Opportunities for Aboriginal People						
Refunds of previous years' expenditures		0.1	0.1	0.1	—	**—**
Access to Capital and Economic Development						
Refunds of previous years' expenditures		0.8	0.3	0.3	2.6	**2.6**
Return on investments		0.4	0.5	0.5	0.3	**0.3**
Miscellaneous revenues		6.6	6.3	6.3	6.7	**6.7**

			2006–2007			
($ millions)	Actual 2004–2005	Actual 2005–2006	Main Estimates	Planned Revenue	Total Authorities	Actual Revenue
Community Infrastructure						
Refunds of previous years' expenditures		4.7	0.5	0.5	11.5	11.5
Return on investments		1.2	1.0	1.0	1.4	1.4
Miscellaneous revenues		—	—	—	0.1	0.1
Northern Economy						
Refund of previous years' expenditures		0.4	—	—	0.3	0.3
Co-operative Relations						
Refund of previous years' expenditures		0.4	—	—	0.2	0.2
Departmental Management and Administration						
Refund of previous years' expenditures		5.3	—	—	—	—
Miscellaneous revenues		0.7	—	—	—	—
Total	338.2	299.8	187.3	187.3	248.3	248.3
CANADIAN POLAR COMMISSION						
N/A	—	—	—	—	—	—
INDIAN SPECIFIC CLAIMS COMMISSION						
N/A	—	—	—	—	—	—

Due to rounding, figures may not add to totals shown.

Table 7A: User Fees

User Fees Act

				2006–2007					Planning Years		
User Fee	Fee Type	Fee-setting Authority	Date Last Modified	Forecast Revenue ($000)	Actual Revenue ($000)	Full Cost ($000)	Performance Standard	Performance Results	Fiscal Year	Forecast Revenue ($000)	Estimated Full Cost ($000)
Fees charged for the processing of access requests filed under the *Access to Information Act* (ATIA)	Other products and services (O)	*Access to Information Act* s.11(1)(a) s. 11(1)(b)	1992	1,340 3,353	1,340 3,353	 1,052.1	Response provided within 30 days following receipt of request; the response time may be extended pursuant to section 9 of the ATIA. Notice of extension to be sent within 30 days after receipt of request. The *Access to Information Act* provides fuller details: http://lois.justice.gc.ca/en/A-1/index.html.	On-time responses provided in 95 percent of requests completed during fiscal-year 2006–2007.	2007–2008 2007–2008 2008–2009 2008–2009 2009–2010 2009–2010	1,500 3,000 1,500 2,700 1,500 2,500	 1,500 2,000 2,500
Canada Mining	Regulatory	*Territorial Lands Act*	See Section B: Proposed amendments[5]	5,500	6,572	Note 1	Current service standards are set in existing legislation and regulation: CMR[6] CMR — amendments[7]	All applications processed within set time lines.	2007–2008 2008–2009 2009–2010	6,600 6,600 6,600	Note 1
Territorial Land Use	Regulatory	*Territorial Lands Act* *Mackenzie Valley Resource Management Act*	1996	230	139	Note 1	Current service standards are set in existing legislation and regulation.	All permits were issued within the regulated time frame.	2007–2008 2008–2009 2009–2010	139 139 139	Note 1
Territorial Lands	Regulatory	*Territorial Lands Act*	1996	930	2,305	Note 1	Performance standards vary depending on research, negotiations and environmental assessment decisions and are shared with clients throughout the process.	All lease and letter patent were issued once all pre-conditions were met (e.g. environmental assessment decisions, lease negotiations).	2007–2008 2008–2009 2009–2010	2,300 2,300 2,300	Note 1

[5,7] http://www.ainc-inac.gc.ca/ps/nap/min_e.html

[6] http://laws.justice.gc.ca/en/t-7/c.r.c.-c.1516/182141.html?noCookie

				2006–2007					Planning Years		
User Fee	**Fee Type**	**Fee-setting Authority**	**Date Last Modified**	**Forecast Revenue ($000)**	**Actual Revenue ($000)**	**Full Cost ($000)**	**Performance Standard**	**Performance Results**	**Fiscal Year**	**Forecast Revenue ($000)**	**Estimated Full Cost ($000)**
Frontier Lands Registration	Regulatory	*Territorial Lands Act* *Canada Petroleum Resource Act*	1988	88	78	Note 1	Standard requests to be processed within 10 working days. Requests that require additional research take additional time to process (requestor is advised of the delay at the time the request is made).	All standard requests were processed within the established timeline. A number of request necessitated further research which resulted in additional processing time.	2007–2008 2008–2009 2009–2010	88 88 88	Note 1
Territorial Quarrying	Regulatory	*Territorial Lands Act* *Mackenzie Valley Land Use Regulations*	2003	0	0	Note 1	The issuance of a quarrying permit leads to the granting of a Land Use Permit. As such, there is no time line set in regulations to process/issue/reject a quarrying permit application.	Permits are issued once pre-conditions are met.	2007–2008 2008–2009 2009–2010	0 0 0	Note 1
Territorial Water	Regulatory	*Northwest Territories Waters Act*	1992	10	16	Note 1	Performance standards vary depending on research, negotiations and environmental assessment decisions and are shared with clients throughout the process.	All permits and letter patent were issued once all pre-conditions were met.	2007–2008 2008–2009 2009–2010	16 16 16	Note 1
		Nunavut Waters and Nunavut Surface Rights Tribunal Act	2002 (Note 2)								
		Mackenzie Valley Resource Management Act	2003								
Territorial Coal	Regulatory	*Territorial Lands Act*	2003	0	0	Note 1	Exploration permits are issued once consultations are complete.	Permits are issued upon completion of consultations.	2007–2008 2008–2009 2009–2010	0 0 0	Note 1

Date Last Modified

The Canada Mining Regulations (CMR) are currently in the process of modernization. The royalty sections of the CMR were amended in 1999, but the remainder of the regulations were left as they were written in 1977. The metric system is being introduced in this round of amendments, thereby changing the fee schedule to reflect the amounts required by hectares instead of acres. The mining industry and other stakeholders were consulted by various methods of consultation and no complaints about the changes were submitted. One new fee is being added to discourage nuisance protests against a claim.

Note 1: The fee or service triggers a series of activities related to land and resource management and the protection of the environment, all of which are controlled by the nature and scope of the resource development projects, e.g. mine development.

Note 2: The Water Regulations under the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* are currently in the process of being written. Industry and other stakeholders have not yet been extensively consulted. Changes to the fee structure are still under consideration.

Table 7B: Policy on Service Standards for External Fees

Supplementary information on Service Standards for External Fees can be found at http://www.tbs-sct.gc.ca/rma/dpr3/06-07/index_e.asp

Table 8: Details on Transfer Payment Programs (TPPs)

INAC has five transfer payments programs:

Payments for First Nations, Inuit and Northerners — The Government
Payments for First Nations, Inuit and Northerners — The People
Payments for First Nations, Inuit and Northerners — The Land
Payments for First Nations, Inuit and Northerners — The Economy
Payments for Métis, non-Status Indians and urban Aboriginal people — The Office of the Federal Interlocutor

Further information on these projects can be found at http://www.tbs-sct.gc.ca/rma/dpr3/06-07/index_e.asp

Table 9: Response to Parliamentary Committees, and Audits and Evaluations

Response to Parliamentary Committees

House of Commons Standing Committee on Public Accounts

Standing Order 108(3) (g) — On June 1, 2006, the Standing Committee on Public Accounts commenced consideration of Chapter 5, May 2006 Report of the Auditor General of Canada, *Management of Programs for First Nations*, which was referred to the House of Commons, Standing Committee on Public Accounts on May 16, 2006. The committee report was adopted on June 20, 2006, and presented to the House on June 21, 2006.

Chapter 5, Management of Programs for First Nations of the May 2006 Report of the Auditor General of Canada — Report of the Standing Committee on Public Accounts (http://cmte.parl.gc.ca/cmte/CommitteePublication.aspx?COM=10466&Lang=1&SourceId=149763)

Standing Order 109 — Indian and Northern Affairs Canada officials appeared before the Standing Committee of Public Accounts on June 1 and June 13, 2006. The government response to the Sixth Report of the Standing Committee on Public Accounts review of the Auditor General's 11 recommendations was presented to the House by Indian and Northern Affairs Canada on October 19, 2006. The response was jointly prepared by Health Canada and Indian and Northern Affairs Canada. It addressed the following issues: patient safety and prevention of abuse of prescription drugs; addressing mould in on-reserve housing; reducing the First Nations' reporting burden; finalizing an evaluation of the comprehensive land claims implementation process including establishing performance indicators, and objectives; development of a plan to end third-party management; and longer appointment periods for deputy heads.

Prescription Drugs — The government response stated that it is committed to expanding program options, and to exploring the development of specific legislative authorities in order to ensure patient safety and prevent prescription drug misuse. Government would also initiate discussions with provincial and territorial organizations to collect vital statistics related to death and injury due to inappropriate use of prescription drugs, and report the costs of each initiative annually to Parliament.

Mould in On-Reserve Housing — The Government response indicated that discussions on a framework for a national strategy between federal departments (INAC, CMHC, HC), and the Assembly of First Nations had been completed and implementation plans were being developed to address mould prevention and remediation plans. Where remediation was not possible, alternate approaches to acquiring additional housing were being examined.

First Nation Reporting — The government response outlined a three-pronged approach to reducing the amount of data collected, increasing the efficiency of the procedures to submit and process reports, and working with TBS to eliminate duplication where possible in order to achieve a whole-of-government reduction.

Comprehensive Land Claims Implementation — The government response provided an overview of the INAC *Multi-Year Evaluation Plan* and information on the development of shared objectives, mutually shared results and performance indicators that will be utilized for reporting on departmental activities.

Third-Party Management — The government will work with the appropriate boards to develop guidelines to clarify key terms and develop water standards in accordance to the needs of the communities. It has already met with a number of boards to discuss best practices and board member training needs, and has developed a process for ongoing dialogue to resolve issues. It currently requires that boards to provide information on financial performance in annual reports, including how the boards manage their responsibilities. This information will be linked to the development of strategic plans with the intent of strengthening the annual reporting process.

Longer Appointment Periods for Deputy Heads — The appointment system is an executive function exercised by the Prime Minister and the Clerk of the Privy Council. Deputy Heads work within this system and must be prepared to move to other assignments when requested to do so.

Government Response to the Sixth Report of the Standing Committee on Public Accounts (http://cmte.parl.gc.ca/cmte/CommitteePublication.aspx?COM=10466&Lang=1&SourceId=177295)

Response to the Auditor General of Canada, including to the Commissioner of the Environment and Sustainable Development (CESD)

Auditor General

Chapter 5 — The May 2006 fourth status report of the Auditor General on the *Management of Programs for First Nations* was presented to the House of Commons, Standing Committee on Public Accounts on May 16, 2006. The report made 11 recommendations in total with eight recommendations being directed at Indian and Northern Affairs Canada and three recommendations at Health Canada. Indian and Northern Affairs Canada presented a response to the House responding to the need to address mould in on-reserve housing; to reduce the First Nations reporting burden; to establish performance indicators and objectives and to finalize an evaluation of the comprehensive land claims implementation process; to develop a plan to end third-party management; and to create longer appointment periods for deputy heads.

The department response, prepared on behalf of the Government of Canada, stated that it is important to put in place a strategy to develop a common Aboriginal agenda for the future in important areas such as housing, health, education, and economic opportunities. Canada will continue to take the critical factors into account when developing approaches aimed at securing a better future for Aboriginal peoples.

Management of Programs for First Nations (http://www.oag-bvg.gc.ca/domino/reports.nsf/html/20060505ce.html/$file/20060505ce.pdf)

Chapter 6 — The May 2006 Report of the Auditor General on the *Management of Voted Grants and Contributions* was presented to the House of Commons with one recommendation directed at Indian and Northern Affairs Canada. The report stated that the department should strengthen its grant and contribution management controls by preparing a risk-assessment of recipients to determine the frequency and depth of monitoring and reporting, complete development and implementation of the automated management system for grants and contributions, and provide training to program officers.

The department responded by indicating that the new First Nations and Inuit Transfer Payment System being implemented would improve and strengthen management practices. By adopting a risk-based approach to manage all grants and contributions, managers will be able to determine the eligibility and the appropriate level of monitoring and reporting required. Ongoing training of staff will take place while the department replaces the current system with this new one during the planned 2006–2008 roll-out period.

Management of Voted Grants and Contributions (http://www.oag-bvg.gc.ca/domino/reports.nsf/html/20060506ce.html/$file/20060506ce.pdf)

Chapter 7 — The November 2006 Report of the Auditor General on *Federal Participation in the British Columbia Treaty Process* was presented to the House of Commons on November 28, 2006. The report presented a total of four recommendations: the need for greater collaboration between Indian and Northern Affairs Canada and other federal organizations participating in the British Columbia treaty negotiations process; fulfill the federal government's duty to consult and, where appropriate, accommodate First Nations; improve the timing and resource management of the treaty negotiations process; and provide more accessible and comprehensive reporting to Parliament.

The department responded by indicating that it will work with federal partners to improve existing internal federal processes with respect to policy development in order to respond more effectively to policy-related challenges and opportunities at treaty negotiations tables. INAC will also continue working with other federal departments to develop a federal approach to consultation and accommodation. The department will place greater emphasis on results-based negotiations focusing on areas where progress is demonstrably possible and will explore ways to improve the current process of providing information to Parliament by making reports more comprehensive.

Federal Participation in the British Columbia Treaty Process (http://www.oag-bvg.gc.ca/domino/reports.nsf/html/20061107ce.html/$file/20061107ce.pdf)

Commissioner of the Environment and Sustainable Development

Chapter 2 — The 2006 Report of the Commissioner of the Environment and Sustainable Development, *Adapting to the Impacts of Climate Change*, was presented to the House of Commons on September 28, 2006. The audit of six federal departments, including Indian and Northern Affairs Canada, assessed broadly if departments developed strategies on a regional or sectoral basis for activities under their responsibility and for INAC, in particular, how it was addressing the impacts of climate change in the North. There were no specific recommendations directed to Indian and Northern Affairs Canada and it was not asked to prepare a response to the audit report.

Adapting to the Impacts of Climate Change (http://www.oag-bvg.gc.ca/domino/reports.nsf/html/c20060902ce.html/$file/c20060902ce.pdf)

Chapter 4 — The 2006 Report of the Commissioner of the Environment and Sustainable Development, *Sustainable Development Strategies*, was presented to the House of Commons on September 28, 2006. The audit examined the progress made by federal departments and agencies toward meeting the commitments made in their sustainable development strategies. The audit stated that Indian and Northern Affairs Canada had made good progress implementing a management framework to promote and track initiatives that reduce greenhouse gas emissions in Aboriginal and northern communities. This is seen to be an important step toward environmental protection and sustainable development. INAC was also making good progress in developing a long-term strategy to assist Aboriginal and northern communities to adapt to the impacts of climate change. There were no specific recommendations directed to Indian and Northern Affairs Canada and it was not asked to prepare a response to the audit report.

Sustainable Development Strategies (http://www.oag-bvg.gc.ca/domino/reports.nsf/html/c2006menu_e.html)

Chapter 5 — *Environmental Petitions* — CESD examined the environmental petition process that allows Canadians to formally present their concerns about environmental issues to federal ministers and obtain a response. The audit examined the timeliness and adequacy of the departmental response to petitions.

Of the five petitions received between July 1, 2005, and June 30, 2006, the Commissioner noted that INAC's on-time response rate was 60 percent. The department has put in place an internal protocol for ensuring timely response to petitions. INAC was not required to prepare a response to the CESD Environmental Petitions report.

Environmental Petitions (http://www.oag-bvg.gc.ca/domino/reports.nsf/html/c20060905ce.html/$file/c20060905ce.pdf)

External Audits (Note: These refer to other external audits conducted by the Public Service Commission of Canada or the Office of the Commissioner of Official Languages)

The Public Service Commission of Canada's October 2006 *Audit of Readiness for the New Public Service Employment Act* (PSEA) examined whether selected departments, including Indian and Northern Affairs Canada, had met essential elements designed to support the new PSEA prior to its implementation. This audit focused on delegation agreements, mandatory policies, training of sub-delegated managers and human resources advisors, communication and monitoring processes. One recommendation was provided calling for Deputy Heads of all departments to provide ongoing leadership to support the full implementation of the PSEA in accordance with the Appointment Delegation and Accountability Instruments.

Audit of Readiness for the New Public Service Employment Act (http://www.psc-cfp.gc.ca/audit-verif/reports/2006/readiness/readiness_e.pdf)

Internal Audits or Evaluations

Internal Audits

Audit of Aboriginal Business Canada's Aboriginal Financial Institutions and Access to Capital Program — March 2007
(http://www.ainc-inac.gc.ca/pr/pub/ae/au/07-04/07-04_e.html)

Audit of Departmental Travel — March 2007
(http://www.ainc-inac.gc.ca/pr/pub/ae/au/05-01/05-01_e.html)

Audit of the First Nations Child and Family Services Program — March 2007
(http://www.ainc-inac.gc.ca/pr/pub/ae/au/06-02/06-02_e.html)

Audit of the Compliance with the First Nation Land Management Initiative — October 2006
(http://www.ainc-inac.gc.ca/pr/pub/ae/au/06-01/06-01_e.html)

Audit of Funding of School Facilities — October 2006
(http://www.ainc-inac.gc.ca/pr/pub/ae/au/03-18/03-18_e.html)

Audit of Contracting and Purchasing — June 2006
(http://www.ainc-inac.gc.ca/pr/pub/ae/au/03-16/03-16_e.html)

Evaluations

Evaluation of Aboriginal Business Canada's Aboriginal Financial Institutions and Access to Capital Program — March 2007
(http://www.ainc-inac.gc.ca/pr/pub/ae/ev/07-05/07-05_e.html)

Evaluation of the First Nations Child and Family Services Program — March 2007
(http://www.ainc-inac.gc.ca/pr/pub/ae/ev/06-07/06-07_e.html)

Table 10: Sustainable Development Strategy

Indian and Northern Affairs Canada implementation of its third Sustainable Development Strategy (SDS), *On the Right Path: A Sustainable Future for First Nations, Inuit and Northern Communities*[8], was completed in December 2006. The SDS supports INAC sectors and regions to further integrate sustainable development into programs, policies and decision-making. In 2006, the department focused on developing the final report on implementation of the third SDS, and developed its fourth Strategy, which was tabled in the House of Commons in December 2006.

The final report on the third SDS highlights accomplishments and discusses lessons learned. The report was the culmination of regional and sectoral efforts in implementing each commitment. The Strategy enhances linkages with the department's strategic outcomes, and broadly addresses the need to integrate sustainable development in departmental planning and policy development.

Each target in SDS 2004–2006 supported positive results in one or more of the four strategic outcome areas of Government, People, Land, and Economy, as well as in Departmental Management and Administration. Reporting on the Strategy was reflected in but not fully aligned with departmental reporting processes; while each target was clearly supporting one or more strategic outcomes, the language was not completely consistent between the SDS and the strategic outcome. A sustainable development table including an overview of progress was included in the Report on Plans and Priorities and in Departmental Performance Reports, with detailed progress presented in a separate SDS reports.

The third Strategy included 41 commitments under five themes: consultation and joint decision-making, long-term planning, water management, climate change and energy management, and integrating sustainable development into departmental policies and processes. For each theme, INAC committed to meeting related objectives and accompanying targets. The objectives defined the intended outcomes for each theme, and the targets represented short-term commitments, which were more specific, measurable, time driven and output oriented. The strategy led the department to develop sustainable development frameworks and policies to guide national and regional programs and activities. Progress on the Strategy also improved collaboration with other governmental departments and First Nations, Inuit and Northerners.

Over the course of the three years, four targets were withdrawn because of changing priorities or lack of resources. Seven targets were considered incomplete at the conclusion of the Strategy, and the remaining were completed. Implementation will continue under SDS 2007–2010 for some of the targets to achieve long-term outcomes. The department made progress in several areas under each of the five themes.

Consultation and Joint Decision-Making — There are now more regional co-operative processes among federal departments and Aboriginal communities and organizations in establishing priority-setting processes, addressing Aboriginal issues and improving collaboration in decision-making processes.

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[8] For more information on INAC's Sustainable Development Strategy see http://www.ainc-inac.gc.ca/sd/doc_e.html

Long-term Planning — All regions in the south, and one in the North are engaged in comprehensive community planning (CCP), with some regions implementing CCP on a wide-scale. Many regions have benefited from capacity-building initiatives in terms of human resource capacity, professional development, and increasing land management expertise.

Water Management — Implementation of the First Nations Water Management Strategy has decreased the number of high-risk water systems and increased the number of certified water operators.

Climate Change and Energy Management — The Aboriginal and Northern Community Action Program assisted Aboriginal and northern communities in undertaking 200 energy-related projects to reduce greenhouse gas emissions over a four-year period. It also provided funding for more than 50 impacts and adaptation projects over the three years of the Strategy, as well as supported development of a Northern Impacts and Adaptation Strategy.

Integrating Sustainable Development into Departmental Policies and Processes — The department actively integrated sustainable development into departmental processes through the implementation of the Environmental Stewardship Strategy, the development of sustainable development guidelines for economic development, and the identification of sustainable development co-ordinators in the department.

A number of limitations in the third SDS influenced the development of the fourth one, primarily in the area of reporting and monitoring. There was a lack of clear performance measurements or short-term and long-term outcomes identified in the third SDS. Evaluating implementation of the SDS, therefore, was very difficult. This was addressed in the fourth SDS through the development of very clear, detailed logic models that identify outcomes, outputs, activities and performance indicators for each commitment.

The lead for each target was also more clearly identified at the sectoral level. The volume of commitments in the third SDS has also been scaled down and refined in the fourth SDS. The department is focusing on a select group of commitments with the objectives of supporting sustainable communities and building a culture of sustainability within the department.

The linkage between SDS reporting and departmental planning and reporting processes was also addressed in the fourth SDS. Almost all of the new targets are directly integrated into strategic outcome plans and have been reflected in the Report on Plans and Priorities. Reporting on SDS implementation will take place through departmental reporting processes.

The fourth SDS was developed in collaboration with all regions and sectors of the department, as well as with some representatives from Aboriginal communities and organizations. The department also responded to the Commissioner of the Environment and Sustainable Development's recommendations and the Federal Guidance on developing the fourth round of SDS. As well, all targets support one or more of the federal sustainable development goals. The Strategy is a result-oriented document relying on commitments that will have a long-term, concrete impact at the community level as well as on departmental policy, operations and decision-making.

Table 11: Procurement and Contracting

Supplementary information on Procurement and Contracting can be found at http://www.tbs-sct.gc.ca/rma/dpr3/06-07/index_e.asp.

Table 12: Horizontal Initiatives

INAC is the lead department for the following four horizontal initiatives:

First Nations Water Management Strategy
Labrador Innu Comprehensive Healing Strategy
Urban Aboriginal Strategy
Mackenzie Gas Project and induced oil and gas exploration and development activities in the Northwest Territories

Supplementary information on Horizontal Initiatives can be found at http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/hrdb-rhbd/profil_e.asp.

Table 13: Travel Policies

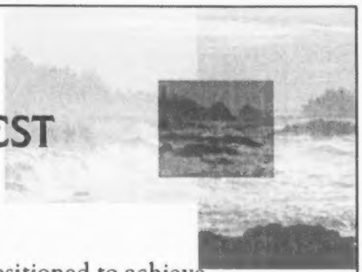
Supplementary information on Travel Policies can be found at http://www.tbs-sct.gc.ca/rma/dpr3/06-07/index_e.asp.

Table 14: Storage Tanks

Supplementary information on Storage Tanks can be found at http://www.tbs-sct.gc.ca/rma/dpr3/06-07/index_e.asp.

Table 15: Financial Statements of Departments and Agencies

Financial Statements for Indian and Northern Affairs Canada for the fiscal year ended March 31, 2007 are available at http://www.ainc-inac.gc.ca/pr/fnst/07/index-eng.asp.



SECTION IV – OTHER ITEMS OF INTEREST

Departmental Management and Administration

An effective and responsibly managed and operated department is well positioned to achieve its strategic outcomes. Outcomes are achieved through informed decision-making supported by the alignment of departmental communications, and human, technical, information, and financial resources with departmental priorities and expected results.

Allocation Methodology

Within the government budget process, departments do not receive money specifically for departmental management and administration; funds are allocated to strategic outcomes and program activities. This presents a challenge for INAC to provide a useful presentation of resources, given that it is primarily in the business of transferring funds to third parties for the delivery of programs and services meeting its objectives and mandate. As such, it has to ensure the proper administration of these transfers, undertake monitoring and accountability activities, and provide policy advice and other services (e.g., litigation management). Allocating Departmental Management and Administration resources to program activities distorts the real picture of the resources in place to deliver program activities since the programs are largely delivered by third parties. It should be noted, however, that the proportion of INAC's total budget allocated to Departmental Management and Administration amounts to less than 5 percent, which is comparable to other departments.

INAC's departmental management and administration priorities respond to the Government of Canada's focus on strengthened management and accountability for outcomes achieved.

In 2006–2007, efforts focused on:

- an integrated planning and reporting process that is focused on results and aligned with the Government of Canada management agenda;
- maintenance of robust and sustainable financial and information management systems;
- support for the strategic allocation and management of human, financial, real property, technology and information resources; and
- strategic and efficient litigation management.

RESULTS FOR 2006–2007

Strengthened Strategic Management

In support of its commitment to strengthen strategic management, INAC met targets in four key areas:

1) Renewing Financial Management

INAC implemented the Chief Financial Officer (CFO) model in support of the renewal of financial policies led by the Office of the Comptroller General. The CFO was appointed and the process for full implementation of the CFO model within the department is on target.

INAC also made significant progress on a process to link financial and non-financial information to support improved financial management and decision-making. The development of the Integrated Financial System (IFS) and the Enterprise Data Warehouse (EDW) will provide INAC management with integrated financial and non-financial information in a timely and flexible manner to better assist with aligning resources to priorities enabling managers to report on results and associated costs. IFS is a leading-edge system that provides up-to-date information tied to results, supporting decision-makers and providing the department with the ability to provide information to support performance and reporting requirements such as the Treasury Board Secretariat's Aboriginal Horizontal Framework (AHF).

2) Expenditure Review Targets

INAC worked with departmental stakeholders to streamline expenditures and has finalized a strategy to meet Expenditure Review targets. The federal Expenditure Review (ER) Initiative is focused on finding efficiencies in operations so that resources can be re-allocated to priority areas.

3) Resource Management Framework

INAC completed its Resource Management Framework, which assessed expenditure trends and the cost drivers of basic services provided to First Nations. It identified clear funding priorities and a multi-year strategy for resource acquisition. It contributes to the foundation of policy and program renovations and associated funding requirements to provide services comparable to that of provincial jurisdictions and includes a resource justification for First Nation basic services. Work was completed in December 2006 and shared with Treasury Board Secretariat and other interested parties.

4) Integrated Business

As part of the Government of Canada's focus on managing for results, INAC continued to strengthen its strategic management integrating financial, human and strategic outcome planning activities. Over the last year, INAC has strengthened linkages between executive performance agreements and planning activities to assure departmental executives provide the necessary leadership in their areas of responsibility to achieve results and contribute to their overall strategic outcome success.

Strengthening Internal Audit and Evaluation Capacity

In response to the government-wide Internal Audit Policy introduced on April 1, 2006, INAC appointed a Chief Audit and Evaluation Executive who reports to the Deputy Minister, and established an independent audit committee to give objective advice, guidance and assurance on the adequacy of the department's risk management, control and governance practices. Plans are in place to ensure that the department will comply with the requirements of the Internal Audit Policy as required by March 31, 2009.

INAC has also strengthened its Evaluation function. A multi-year Evaluation Plan is in place which provides a strategic and sustainable approach to assessing the performance of the department's grants and contributions programs. The Plan is in full compliance with Treasury Board policies and the *Federal Administration Act*, providing full evaluation coverage for all direct INAC spending.

Transfer Payment Tracking System

Transfer payments are an integral component of INAC's mandate and a coherent system is critical for efficient program delivery.

In partnership with recipients, INAC developed a web-based integrated transfer payments system. The First Nations and Inuit Transfer Payments System (FNITP) streamlines the transfer payment process, makes it more efficient, rationalized, sustainable and cost effective. The system is an important step in efforts to reduce the reporting burden for First Nations.

In 2006, INAC completed initial deployment of the system and training for users, both in the department and in recipient organizations. Further deployment of the system continues and training is provided to users and recipient organizations.

Public Service Modernization

Public Service Renewal is a priority for the federal government and for INAC.

Recruitment and appointment

INAC implemented recruitment and appointment policies as part of the departmental values-based staffing system. These policies uphold the values of access, fairness and transparency. INAC has mandatory PSEA appointment policies in place for non-advertised, corrective action and revocation, and areas of selection.

INAC also completed the required Departmental Staffing Accountability Report for the Canada Public Service Agency and is developing a Staffing Management Accountability Framework and Monitoring Strategy.

Values and Ethics

The department completed a review of its programs and services in support of values and ethics and consequently established an Integrity, Values and Conflict Resolution Unit to serve as a single point of entry to staff seeking advice or access to resources and tools. The unit is a focal point for the department's values and ethics management framework; providing increased focus on advice and guidance on policies and programs, avenues of early resolution in situations of conflict and workplace well-being.

Employment Equity

INAC continued efforts to establish a workforce that reflects the diversity of Canada, and to enhance the way employees are recruited, supported and led, with special focus on Aboriginal employment.

In support of INAC's commitment to Aboriginal Human Resources Management, the Deputy Minister's Aboriginal Workforce Initiative (DMAWI) produced a report focused on improving recruitment, development and retention of its Aboriginal workforce. The next steps will be to review the DMAWI report and develop a multi-year work plan based on the activities listed in the report. Implementation of plan is to commence in the fall of 2007.

Required Learning for Managers

INAC has implemented an approach in support of modernizing its change management strategy to ensure that managers are able to meet current and future strategic operational requirements. The learning approach includes mandatory training in public service Authority Delegation and Validation, Staffing Delegation, and Financial Delegation. The knowledge, skills, values, ethics and competencies developed through the training contribute to employees' capacity to manage resources effectively and deliver required results.

Details of Contributions to Departmental Priorities

Strategic Outcome — The Government

Results for Priority — Accountability and Capacity Building

Plans	Milestones/Timelines	Results
Strengthen recipient's capacity by providing targeted funding under the Professional and Institutional Development Program for activities related to the development and implementation of remedial management plans.	Fall 2006: Access Budget 2006 funding. December 2006: Begin funding approved projects.	In January 2007, INAC successfully launched a new initiative to strengthen capacity for First Nations under intervention to accelerate their moving out of intervention status.
Implement fully the *First Nations Fiscal and Statistical Management Act.*	March 2007: Implement fully the *First Nations Fiscal and Statistical Management Act.*	The First Nations Finance Authority began operations and the First Nations Tax Commission, the First Nations Statistical Institute and the First Nations Financial Management Board continued their transition to full operation.
Increase funding for the Aboriginal Financial Officers' Association for programs and activities related to remedial management plans.	Fall 2006: Seek approval to access Budget 2006 funding. December 2006: Begin funding approved projects.	INAC received approval to increase the Aboriginal Financial Officers Association's budget by up to $230,000, to develop and implement remedial management plans and educational materials, and to provide direct support to First Nations in remedial management situations. This directly builds First Nations financial management skills and competencies contributing to strong First Nations governments.

Results for Priority — Northern Development

Plan	Milestones/Timelines	Results
Make progress on devolution in the Northwest Territories and Nunavut.	Seek an agreement in principle with the Government of the Northwest Territories and the Aboriginal Summit on the devolution of land and resource management responsibilities in the Northwest Territories: 2006–2007.	After a pause of more than one year in formal negotiations toward an agreement in principle (AIP) on devolution of land and resource management responsibilities in the Northwest Territories, discussions resumed in November 2006, between the Government of Canada and the Government of the Northwest Territories (GNWT). The objective was to resolve those issues that were identified by the GNWT as outstanding in 2005. In March 2007, a number of Aboriginal groups in the Northwest Territories supporting devolution rejoined the negotiations. While progress was made, a number of outstanding issues require additional work to finalize an AIP.
	Seek the approval of a mandate, and then begin devolution negotiations with the Government of Nunavut and Nunavut Tunngavik Incorporated: 2006–2007.	Work continued throughout 2006–2007 on the development of a negotiation mandate to transfer INAC's province-like responsibilities to the Government of Nunavut. Notable milestones include the appointment of Paul Mayer as Senior Ministerial Representative for Nunavut devolution in November 2006, intensive consultations with the Government of Nunavut, Nunavut Tunngavik Incorporated and other stakeholders from December 2006 to February 2007, and the submission of Mr. Mayer's report to the Minister on March 30, 2007.

Strategic Outcome — The People

Results for Priority — Accountability and Capacity Building

Plans	Milestones/Timelines	Results
Complete the Indian Registration System/ Certificate of Indian Status initiative by introducing nationally a new secure status card and provide ongoing support for its issuance and for maintaining the integrity of the Indian Register.	Procurement process, product development and training plan finalized: March 31, 2007.	Request for information process was initiated to gauge the number of Aboriginal contractors available nationally. Process completed March 16, 2007. Work continues with PWGSC to complete the Request for Proposals process. Target date for awarded contract is May 12, 2008.
	Implementation of national print centre and regional and First Nations deployment and training completed: March 31, 2008.	Roll-out dates depend upon the successful and timely completion of the procurement process.
	Full market reach and replacement of existing laminated Certificates of Indian Status with new secure cards: March 31, 2011.	The new secure Certificate of Indian Status card project was approved by Treasury Board, leading to issuance of a new card in 2008. The new Status Card will include a range of anti-fraud features. The new Status Card will not only help to prevent fraud and misuse of Certificates of Indian Status, but is also being considered as an acceptable alternate document for Canada-U.S. cross-border use.

Results for Priority — Education

Plans	Milestones/Timelines	Results
Implement INAC's Education Action Plan.	Develop Education Policy Framework: Summer 2006.	Ongoing: The draft Education Policy Framework was developed in summer 2006 with First Nations. It will serve as the overarching policy document for the renewed education program as set out in the Education Management Framework, and identify the principles and goals that frame all of the education programs and services. The target completion date for the finalized Education Policy Framework is March 2008.
	Develop Education Management Framework: Summer 2007.	Ongoing: Work to develop the Education Management Framework continued to progress in 2006–2007. The Education Management Framework is the structure that provides the interconnectedness of performance measurement, indicators, monitoring and reporting measures and the individual programs. Details regarding the work on the individual pieces can be found below. The target completion date for the finalized Education Policy Framework is March 2008.
	Develop performance indicators, reporting requirements, a data capture tool and performance reporting system: Summer 2007.	Complete: Implementation of the Education dashboard started in 2006. This tool allows for the display of eight education indicators developed in partnership with Quebec Region and allows INAC to view and use regional and national aggregated data on First Nation learners. This data collection tool allows INAC to aid in the production of reports, work plans and information dissemination. Ongoing: Work on further developing a performance reporting system for inclusion in the new Education Management Framework continued to progress in 2006–2007. Consultations with First Nations were ongoing throughout the year, with a National Dialogue being held in March 2007.
	Implement redesigned education compliance regime and guidelines: Summer 2007.	Complete: The education compliance regime and guidelines were initially developed and implemented in 2005. INAC has also committed to implementing a redesigned education compliance regime as part of the Education Management Framework. Ongoing: Work on the redesigned education compliance regime and guidelines for inclusion in the Education Management Framework continued throughout 2006–2007.
Develop tools to support school-board type services for schools on reserve with a view to increasing local capacity and improving results.	Conduct research and consultations to support school board-type services on reserve: 2006. Program design and implementation: 2007.	Complete: Research was conducted and shared with First Nations, including six major reports analyzing various aspects of provincial/territorial and First Nations education systems. Ongoing: Consultations with First Nations representatives continue to be held at the regional and national level on the development of a proposed new program.
Begin engaging First Nations, provinces and territories about establishing tripartite education partnerships in a spirit of shared responsibility.	Develop and implement additional education partnerships.	Complete: The *First Nations Jurisdiction over Education in British Columbia Act* received Royal Assent in December 2006. A Memorandum of Understanding was signed with the First Nations Education Council (FNEC) in Quebec in October 2006. Ongoing: Work continues on forming additional partnerships with the aim of supporting improved educational outcomes.

Results for Priority — Women, children and family

Plans	Milestones/Timelines	Results
Review and adapt program authorities relating to First Nations Child and Family Services (CFS) to enable a greater degree of comparability with provincial child welfare programs and services.	Co-ordinate CFS, FVP and early childhood development (ECD) programming at the community level: 2007–2008.	Completed implementation of the enhanced prevention-focused approach in Alberta. Engagement and commitment of several more provinces and First Nations for an enhanced prevention-focused approach. Implemented updated program authorities effective, April 1, 2007 — this enables a greater degree of comparability with provincial child welfare programs and services.
	Program evaluation completed by March 31, 2007.	Evaluation of First Nation Child and Family Services completed March 2007.
	Revised performance strategy and compliance methodologies for "reimbursement of actuals" by March 31, 2007.	Revisions to the performance measurement strategy and compliance methodologies under way, but we need to consult with our First Nations and provincial and territorial partners — expected completion date December 31, 2007.
Expand efforts with respect to family violence prevention (FVP) by: • enhancing prevention programming; • expanding the reach of the FVP Shelter Network to more communities through the construction of new shelters; and • increasing operational funding to existing shelters.	Working with Canada Mortgage and Housing Corporation, to build 8-10 new shelters by 2008–2009.	Work initiated with the Canada Mortgage and Housing Corporation, to build up to 5 new shelters beginning 2008–2009. Some of the originally planned funding for the project was re-allocated to other departmental priorities.
	Increase base funding by $11 million by 2010–2011.	$6 million announced as one-time investment in 2006–2007 for FVPP to increase operational funds for shelters and for a number of family violence prevention initiatives. This milestone will continue to be reported on in future years.

Results for Priority — Women, children and family (continued)

Plans	Milestones/Timelines	Results
Work with the Assembly of First Nations (AFN) and Native Women's Association of Canada (NWAC) in a consultation process to develop options for a legislative or other solution to matrimonial real property issues; recommendations to be made to the Minister by the ministerial representative.	Ministerial Representative will facilitate consultation process with INAC, NWAC and AFN to be launched in September 2006.	Beginning on September 29, 2006, Ministerial Representative Wendy Grant-John facilitated a three-phase consultation process, in which INAC held consultations and INAC representatives attended sessions facilitated by NWAC and the AFN with the goal of developing possible solutions to the legislative gap with respect to on-reserve MRP.
	Matrimonial Real Property consultations concluded: January 2007.	National consultations provided a collaborative process with NWAC and the AFN that enabled all parties to expand their understanding of the issues, such as the protection of children as a first priority and the need to address the division of MRP on reserves as quickly as possible.
	Report of Ministerial Representative for MRP On Reserves: March 2007.	Ministerial Representative's Report submitted to the Minister on March 9, 2007. The report recommended legislation in which individual First Nations would develop a solution that is compatible with their system of housing and land distribution while promoting gender equality. Additionally, the report recommended that the legislation contain emergency provisions that would immediately protect women, children and families, especially those in a situation of family violence. The report also made several non-legislative recommendations, which are being taken into consideration in the development of an implementation plan for the draft MRP legislation.
	Introduction of MRP bill, if appropriate: May 2007.	A draft legislative proposal is being discussed with key stakeholders. Legislation is expected to be presented by the Minister in Parliament in Fall 2007. Will report on progress in 2007–2008.
Improve community capacity at Sheshatshiu through implementation of elements of a co-ordinated Labrador Innu Comprehensive Healing Strategy.	Construction of two safe houses, a healing lodge and a wellness centre: 2006–2007.	The Natuashish and Sheshatshiu Innu First Nations celebrated the opening of the Safe Houses in May 2007. The Natuashish First Nation healing lodge and wellness centre held open house celebrations in June 2007.
	Create a reserve for Sheshatshiu: 2006–2007.	On November 23, 2006, the community of Sheshatshiu was set apart as reserve land for the Sheshatshiu Innu First Nation. The reserve consists of 804 hectares of land, which constitutes the existing community land base of Sheshatshiu Innu First Nation as well as crown lands provided by the Province of Newfoundland and Labrador. Reserve creation at Sheshatshiu is part of a long-term strategy to address the social challenges of the community.

Strategic Outcome — The Land

Results for Priority — Accountability and Capacity Building

Plans	Milestones/Timelines	Results
Implement the Environmental Stewardship Strategy.	Develop a federal policy for regulating activities on reserves in the context of the Smart Regulations Initiative: 2006–2007.	In the context of evolving international priorities, work is ongoing with Natural Resources Canada on a strategy to improve the performance of the environmental regulatory system for natural resources. This work is proceeding in the context of the Deputy Minister's Task Force on Regulatory Improvements.
	Implement internal Environmental Performance Framework: 2006.	The Environmental Performance Framework (EPF) was approved by the Environmental Stewardship Steering Committee in March 2007. Ongoing inter-sectoral implementation is a responsibility shared between Environment, Lands, and Economic Development units, and is to be fully implemented by March 31, 2009. Significant progress was made against many of the EPF targets. Inventories for fuel tanks and waste sites were developed as a necessary step toward ensuring compliance with *Canadian Environmental Protection Act* regulations. Discussions are continuing on developing the Fuel Tank and Waste Management Policy Framework, including the appropriate Level of Service Standard (LOSS). Significant steps were also been made to register in the Environmental Stewardship Strategy Information Management System (ESSIMS)/CEAR all environmental assessments for leases and permits, major capital and economic development projects in order to more effectively monitor follow-up requirements.
Implement Reserve Lands and Environment Management Program.	Delivery of general training: 2006–2007.	Thirteen Land Managers graduated from the Professional Land Management Training and Certification Program delivered through the University of Saskatchewan and the National Aboriginal Land Managers Association (NALMA) in March 2007.
	Delivery of technical training: 2006–2007.	Eleven Land Managers finished technical training at the University of Saskatchewan and will continue the next phase of training delivered by NALMA between September 2007 and March 2008. An additional 27 First Nations entered the RLEMP pilot in 2007 and began training at the University of Saskatchewan in April 2007.
Modernize the Indian Oil and Gas Act and Regulations.	Complete draft of legislation: 2006–2007.	Legislative renewal was relaunched in August 2006. Cabinet authority to amend the Act was received in June 2007, and legislative drafting is well under way.
	Complete drafting of regulations: 2007–2008.	Drafting instructions for the amended legislation have been developed.

Results for Priority — Accountability and Capacity Building (continued)

Plans	Milestones/Timelines	Results
Implement the *First Nations Commercial and Industrial Development Act* (FNCIDA).	Coming into effect of FNCIDA: April 1, 2006.	FNCIDA came into effect on April 1, 2006.
	Completion of Management Control Framework: 2006–2007.	An Operational Delivery Document (ODD) was developed in fall 2006.
	Project recognition and tripartite agreements for Fort McKay and Fort William projects: 2006–2007.	The tripartite agreement between Canada, Fort McKay and Alberta is complete and in force. The draft tripartite agreement for Fort William is awaiting the formal approval process.
	Completion of regulations for Fort McKay and Fort William projects: 2007–2008.	The *Fort McKay First Nation Oil Sands Regulations* came into force on April 19, 2007. Draft regulations for the Fort William Bowater Project are currently under review.
Work with Indian Resource Council (IRC) on future options for Indian Oil and Gas Canada.	Initiate engagement and consultation: 2006–2007.	The Indian Resource Council (IRC) was engaged in August 2006, through the establishment of two Joint Technical Committees.
	Develop options by IRC in partnership with Indian Oil and Gas Canada Co-management Board: 2006–2007 to 2007–2008.	A concept paper on future options was completed by IRC and presented at the IRC Annual General Meeting (AGM). The resolution of First Nations at that AGM was to pursue enhancements under the current Memorandum of Understanding (MOU) for co-management of Indian Oil and Gas Canada (IOGC), and to establish an Energy Business Centre of Excellence to assist First Nations and their companies with the business aspects of oil and gas development. A work plan and budget was established for the implementation of IOGC co-management. A stable, long-term source of funding has yet to be identified for the establishment of the Energy Business Centre of Excellence.
Implement professional and institutional development initiatives.	Complete consolidation of authorities for a number of First Nations-led professional and institutional development initiatives under way: 2006–2007.	A single consolidated management framework was completed and implemented as of April 2006 in order to more efficiently deliver the program.
Expand First Nations land management.	Fund 30 participants every two years: 2006–2007 and 2007–2008.	Six new First Nations are expected to be added to the Framework Agreement on First Nations Land Management. Three new First Nations ratified their land codes and Individual Transfer Agreements with Canada in order to become operational under the *Framework Agreement* and the *First Nations Land Management Act*.
Implement *First Nations Oil and Gas and Moneys Management Act*.	Put voting regulations in place to enable pilot First Nations to take control over oil and gas and/or moneys: 2006–2007.	*First Nations Oil and Gas and Moneys Management Act* (FNOGMMA) voting regulations were registered in October 2006. The Environmental Assessment regulations will be in force by October 2007. Treasury Board approval of the implementation framework and the funding authority is expected in October 2007. The three FNOGMMA Pilot First Nations have scheduled their community votes for late 2007–2008.

Results for Priority — Housing

Plans	Milestones/Timelines	Results
Modernize the Indian Lands Registry System (ILRS).	Digitize records: 2006–2007.	90 percent of records were digitized.
	Integrate and harmonize ILRS information with Canada Lands Survey Records administered by Natural Resources Canada: 2006–2007 and 2007–2008.	Integration and harmonization of ILRS and CLSR was postponed due to a lack of resources.
	Review of ILRS and identification of land registration options and models: 2006–2007.	A multi-year business plan was drafted.
	Business analysis and software development: 2007–2008.	Business analysis and software development were completed.
	Training of First Nations people to use the modernized system: 2008–2009.	Training will be contingent on the modernization of the system.
Design structural improvements to the land management system.	Developing options to address underlying title on reserve in Quebec: 2006–2007 and 2007–2008.	Development of these options was postponed due to lack of resources.
	Draft legislation to give Quebec First Nations access to the *First Nations Land Management Act*: 2006–2007.	Legislative amendment of the FNLMA was completed and received Royal Assent in June 2007.
	Develop options to advance a modern regulatory framework for the use of Certificates of Possession to facilitate individual property interests on reserve: 2006–2007.	A multi-year business plan was drafted for developing these options.
	Develop policy/legislative options for streamlining Additions to Reserve (ATR) and bringing in national ATR legislation: 2006–2007.	Development of these was postponed due to lack of resources.
	Develop options to address gaps in existing *Indian Act* regime in areas such as landlord and tenant law: 2006–2007.	A multi-year business plan was drafted for developing these options.

Results for Priority — Mackenzie Gas Project

Plans	Milestones/Timelines	Results
Support the advancement of this project through regulatory review to the operational phase.	Ongoing until final decisions to proceed with project.	Budget 2005 provided funding of $150 million over four years for seven departments and agencies to increase federal capacity and science in support of the Environmental Assessment and regulatory processes for the Mackenzie Gas Project and induced oil and gas activities. In 2006–2007 INAC received $10.9 million to increase capacity for the environmental assessment process, regulatory obligations, environment and resource management issues, consultation, Federal Project Coordination Secretariat, Pipeline Readiness Office and legal requirements. The department also received $1.4 million to undertake science research projects such as permafrost and terrain conditions across the treeline; pipeline stream crossings; aerial photography and mapping; non-renewable resource assessments for the Protected Areas Strategy; cumulative effects assessment studies and database development, revegetation workshop and the Arctic Council's assessment of oil and gas activities in the Arctic.
Address socio-economic pressures on N.W.T. communities from the Mackenzie Gas Project.	Mackenzie Gas Project Impacts Fund operational by the end of 2006–2007.	The Mackenzie Gas Project Impacts Fund head office location and general Crown Corporation Board structure have been established. Other operational requirements are to be phased-in consistent with the overall timing of the Mackenzie Gas Project and the decision to construct. The Dene Tha' First Nations Settlement: The Settlement Agreement has been negotiated with the DTFN. Implementation is to be completed and in effect in 2007. The Environmental Assessment is ongoing until final decision to construct is put in effect.

Results for Priority — Northern Development

Plans	Milestones/Timelines	Results
Improve the regulatory system in the Northwest Territories.	Regulatory Improvement Initiative Strategy developed by the end of 2006–2007.	In 2006–2007 the department continued to implement phase one of the Northern Regulatory Improvement Strategy, in response to the 2005 report of the Auditor General, while also setting the stage for phase two. The strategy has been low key to date, but the department is now developing and implementing phase two of the strategy, which will focus on longer-term fundamental improvements to the northern regulatory systems. The department will be working with northern stakeholders in the development of phase two of the strategy.
Support International Polar Year Research.	Initiate a targeted science and research program to address priorities on climate change impacts and adaptation and health and well-being of northern communities: 2007–2008. Provide support for government, academic and northern community researchers: 2007–2008. Provide training opportunities for northern and Aboriginal people: 2007–2008.	Provided support to research licensing bodies in N.W.T. and Nunavut to enhance their capacity to handle increased workload resulting from International Polar Year. Initiated discussions with organizations in the territories that are involved in review and issuing of scientific research licences and related permits to explore options for streamlining research licensing/permit processes. Completed scientific and social/cultural review of scientific research proposals that resulted in the selection of 44 projects to address IPY priorities for climate change impacts and adaptation and health and well-being of northern communities. Organized the launch of Canada's IPY program on March 1, 2007, with the involvement of the international community, Ministers, Aboriginal organizations, researchers and a wide range of participants. Provided initial funding support for IPY science and research projects for early work, including community meetings and consultations in the North.

Strategic Outcome — The Economy

Results for Priority — Water and Wastewater

Plans	Milestones/Timelines	Results
Establish a panel of experts on regulatory regime for drinking water.	Consultation completed and action plan for implementation plan developed: fall 2007.	The final report of the expert panel was tabled in Parliament by the Minister of Indian Affairs and Northern Development in December, 2006. The panel provided three viable options for establishing a legislative and regulatory framework. INAC and Health Canada are working together to develop options for a legislative and regulatory framework.
Implement mandatory training for all water system operators and a regime to ensure all water systems have the oversight of certified operators.	All systems to be supervised by certified operator by December 2006.	As of December 2006, all First Nations have been provided access to 24-hour hotlines where they can receive support from a certified operator to address any operational issue they may have with their respective water systems. In some cases, third-party service providers have been contracted to work with First Nations that are most at risk, to provide direct oversight, whether through remote monitoring or on-site operation of the systems. In addition, the Circuit Rider Training Program will soon be enhanced to provide improved training for all operators, both to achieve and to maintain their certification.
Implement the new regulatory regime.	To be completed in spring 2008.	Options for the establishment of a regulatory regime were presented in the Report of the Expert Panel on Safe Drinking Water for First Nations, tabled in Parliament in December 2006. The department is currently examining these options and is working toward introduction of legislation.
Implement remedial plans for First Nations communities with serious water issues.	Reduction of all high-risk, and the majority of medium-risk sites identified in the National Assessment of Water and Wastewater Systems in First Nations communities: April 2008.	The number of high-risk drinking water systems has decreased from 170 water systems to 90 water systems at the end of the past fiscal year. Remedial plans have been developed for all of the remaining high-risk systems, and they will continue to be addressed throughout the upcoming year. Similarly, the number of high-risk wastewater systems decreased from 69 to 67 wastewater systems. The department will continue to work with First Nations to make certain that high-risk wastewater facilities are further reduced.

Results for Priority — Housing

Plans	Milestones/Timelines	Results
Examine options for First Nations housing authorities and institutions.	Review of options completed by March 2007.	Over the last year, financial support was provided to several First Nations-led projects to develop both regional and national best practices and to help incorporate the newly developed First Nations National Housing Managers Association, which is committed to improving housing delivery in First Nations by promoting and enhancing the professional development of First Nations housing managers.
Develop a 10-year strategy to build a sustainable housing system and address housing conditions in First Nation communities.	Completed by March 2007 (specific timeframe for progress will depend on First Nation participation in the implementation of new measures).	The department has initiated a review of the 1996 On-Reserve Housing Policy and other housing initiatives, with a goal of developing needs-based and community-based approaches to on-reserve housing. The vision of a new multi-year approach will be to bring about significant improvements in housing outcomes, quality of housing, longer term durability of the housing stock, and improvements in the overall adequacy of housing on reserves.
Work with First Nations to expand purchase and financing options.	Support the creation of new home ownership programs in First Nations in five regions in 2007 and in all regions in 2008.	Budget 2007 announced a $300-million investment to promote on-reserve home ownership. Market-based housing will help families and individuals of First Nations living on-reserve to build, buy or renovate houses, which will not only increase the housing supply, but will provide the means to build equity and generate wealth.

Strategic Outcome — The Office of the Federal Interlocutor

Results for Priority — Education

Plans	Milestones/Timelines	Results
Collaborate with provinces and territories on initiatives to increase the proportion of Aboriginal young adults with at least a high school diploma.	Consultations with partners and development of performance measurement mechanisms: 2006–2007. Implementation of programs: 2006–2007 to 2007–2008.	Strong regional education partnerships that lead to the advancement of governance development. Linking Métis and non-Status Indians to training or employment opportunities.

Results for Priority — Accountability and Capacity Building

Plans	Milestones/Timelines	Results
Collaborate with provinces on initiatives to respond to Métis Aboriginal rights.	Ongoing implementation of funding through the Government of Canada's Strategic Approach to the *Powley* decision.	Enhanced systems for Métis organizations' identification of harvesters; greater understanding of Métis rights across federal government departments.
	Ongoing facilitation of co-operative relationships between Métis and non-Status Indian organizations and the federal and provincial governments.	Improved governance capacity in Métis and non-Status Indian organizations; better capacity to engage governments.
	Ongoing strengthening of organization's decision-making and reporting on use of funding.	Organizations moved from activity-based to results-based management framework; improved accountability for public funds.

Results for Priority — Women, Children and Family; Education; Housing

Plans	Milestones/Timelines	Results
Collaborate with key partners, including provinces, municipalities and local Aboriginal organizations to enable Aboriginal people to achieve greater success within Canada's urban centres.	Ongoing implementation of the government's Urban Aboriginal Strategy.	Enhanced capacity to implement and manage effective governance. Effective implementation of major infrastructure, housing and education investments. Improved housing improves educational attainment and reduces family violence; economic development reduces dependency on social programs (i.e., Child and Family Services, Family Violence Protection, etc.). Increased individual, family and community well-being.

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